

Blackwell Handbook of Social Psychology

This authoritative handbook draws together 25–30 newly commissioned chapters in each of the four volumes to provide a comprehensive overview of specific topics in the field of social psychology. Designed to have considerable depth as well as breadth, the volumes encompass theory and research at the intraindividual, interpersonal, intergroup, and group levels. Editors have been chosen for their expertise and knowledge of the subject, making the *Blackwell Handbook of Social Psychology* an invaluable companion for any serious social psychology scholar.

Intraindividual Processes, edited by Abraham Tesser and Norbert Schwartz
Interpersonal Processes, edited by Garth J. O. Fletcher and Margaret S. Clark
Intergroup Processes, edited by Rupert Brown and Samuel L. Gaertner
Group Processes, edited by Michael A. Hogg and R. Scott Tindale

Blackwell Handbook of Social Psychology: Group Processes

Edited by

Michael A. Hogg and R. Scott Tindale

© 2001

 **BLACKWELL**
Publishers

Malden, MA

CHAPTER SIX

Poker Face, Smiley Face, and Rant 'n' Rave: Myths and Realities about Emotion in Negotiation

Leigh Thompson, Victoria Husted Medvec, Vanessa Seiden, and Shirli Kopelman

There is a mix of advice concerning the role of emotion in negotiation. Both the prescriptive and descriptive negotiation literatures toil with the questions of whether it is advisable to be emotional in a negotiation, whether a negotiator should play on the opponent's emotions, and whether it is better to display positive or negative emotions throughout a negotiation. Our review of the research literature identifies three distinct perspectives on the role of emotion at the bargaining table. These perspectives, which we label the rational negotiator, the positive negotiator, and the irrational negotiator, give rise to very different prescriptive advice. First, we review these three perspectives on emotion and critically examine the prescriptive advice that flows from each of these perspectives. Subsequently, we expose the assumptions and biases that underlie this advice. Finally, we suggest directions for future research.

Three Perspectives on Emotion in Negotiations

The rational negotiator

According to this perspective, the negotiator is best advised to neither feel nor express emotion at the bargaining table, as emotion is a weakness. Emotion is a signal that one has departed from rational analysis and is vulnerable to losing one's power or share of the bargaining zone. According to the economic model of negotiations, a rational actor – unburdened by emotions – is considered to be in a better position at the negotiation

table. There are few, if any, empirical investigations that explicitly test this assumption, as it arises primarily as an extension of normative bargaining axioms (Nash, 1950; Raiffa, 1982).

The view that emotion is a weakness, or the “Mr. Spock” perspective (Thompson, Nadler, & Kim, 1999) gives rise to the common expression (with which professional students are bombarded), “keep a poker face.” Indeed popular literature derived from rational bargaining theory warns negotiators from being easily goaded into emotional bursts of anger, for example; being manipulated so you are “apt to be tricked into an unfavorable settlement because of your emotional state” (Nierenberg, 1968, p. 46). Despite the appeal of the rational model, keeping a cool head is, of course, easier said than done – emotions seem to have a life of their own, beyond the control of the rational actor. “It is important for disputants to recognize that emotions can overwhelm logic. In fact, people are sometimes trapped into acting against their own best interests, even when they recognize that they are doing so” (Susskind & Cruikshank, 1987, p. 89). However, there is little empirical evidence to support the assertion that emotion, felt or expressed, is a weakness. The most direct support comes from the risk literature, which clearly advises negotiators to adopt a risk-neutral attitude; risk seeking or risk aversion can lead to suboptimal decision making and negotiated outcomes (Bazerman & Neale, 1982). Indeed, departures from risk neutrality are associated with less-than-desirable bargaining outcomes (see Neale & Bazerman, 1991; Thompson, 1998 for reviews).

The positive negotiator

A quite different view about negotiation emerges from the social psychological literature on negotiation. Social psychologists argue that expression of positive emotion, in contrast to a poker face, can be an advantage at the negotiation table. In a number of empirical investigations, positive emotion enhanced the quality of negotiated agreements, as compared to the outcomes reached by “neutral” (poker-faced) negotiators. The advantages of positive emotion derive from a theory of information processing, which argues that people process information differently when in a positive mood as opposed to a negative or a neutral mood (Isen, 1987). In what has become the seminal study in positive affect and negotiation, Carnevale and Isen (1986) induced positive emotion in some negotiators by instructing them to perform a seemingly unrelated task of sorting cartoons into two piles – those that were very funny, and those that were not as funny. Negotiators in the manipulated conditions were also told they could keep the scratch pad they used during the experiment as a gift; negotiators in a control condition did not see the cartoons, nor were they given a gift. Negotiators in the positive affect condition reported more positive moods and subsequently created more mutually beneficial bargaining outcomes than the control group. Carnevale and Isen (1986) concluded that, “the use of positive affect may be a very useful tactic that may help negotiators discover optimal solutions . . . The ability to integrate, to find creative ways of combining issues, and to develop novel solutions may be necessary for negotiators to achieve anything beyond obvious compromises” (p. 12).

In a complementary fashion, empirical studies support the intuition that negative emotion has a detrimental impact on negotiation. For example, in one empirical investigation, people participating in a job contract negotiation achieved lower joint gains when they experienced high levels of anger and low levels of compassion toward each other than when they experienced positive emotion toward each other (Allred et al. 1996). In addition, angry negotiators were less willing to work with each other in the future. Other studies suggest that angry negotiators are more likely to overtly retaliate (Allred, 1996), endangering the negotiation process.

Other investigations that have measured and manipulated emotion report similar findings (for reviews, see Allred, Mallozzi, Matsui, & Raia, 1996; Barry & Oliver, 1996; Forgas, 1998; Thompson, Nadler, & Kim, 1999). Negotiators in a good mood generally realize higher individual and joint gains on both integrative and distributive negotiation tasks than do people who are in a neutral or negative mood (Kramer, Pommerenke, & Newton, 1993; Kumar, 1997). Specifically, negotiators in positive moods plan to use more cooperative strategies, engage in more information exchange, propose more alternatives, and are less likely to engage in contentious tactics (Carnevale & Isen, 1986). According to this perspective, positive affect promotes creative thinking (Isen, Daubman, & Nowicki, 1987), which, in turn, makes negotiators more likely to engage in innovative problem solving (Carnevale & Isen, 1986). This is particularly advantageous in integrative tasks where innovative thinking helps negotiators overcome the faulty fixed-pie perception (Thompson & Hastie, 1990) and achieve better joint outcomes (Carnevale & Isen, 1986).

The affect infusion model (AIM) (Forgas, 1995) supports the view that positive emotions enhance negotiators’ effectiveness. However, the underlying psychological process is different than that proposed by the creative information-processing account. The AIM model posits that people’s moods influence their cognitive evaluations. Essentially, the AIM model suggests that negotiators adopt mood-congruent bargaining strategies; according to this theory, happy negotiators will develop more cooperative tactics than unhappy negotiators (Forgas & Moylan, 1996).

The positive emotion view of negotiation strictly cautions negotiators against the perils that befall negotiators who express negative emotion. Perhaps the most well-developed theory in this regard is Gresham’s law of conflict, which basically states that conflict can either take a constructive or destructive course and that the negotiator’s own actions determine which course is more likely (Deutsch, 1973). Deutsch (1973) views emotions as attitudes and proposes that “a cooperative process leads to a trusting, friendly attitude and it increases the willingness to respond helpfully to the other’s needs and requests” (p. 30). In contrast, a “competitive process leads to a suspicious, hostile attitude, and it increases the readiness to exploit the other’s needs and respond negatively to the other’s requests” (p. 30). This destructive course is often described as a *conflict spiral*. The dynamics of escalation are difficult to defuse because the emotions of negotiators tend to rise exponentially. “It appears that we humans are good at escalating confrontations, but we are ill-equipped to promote de-escalation. . . . Like small boats on a rising river, it is easy for disputing parties to lose control of the circumstances” (Susskind & Cruikshank, 1987, p. 93).

The irrational negotiator

A quite different perspective argues that negotiators who show blatant negative emotion (e.g., anger, rage, indignation, impatience) can be extremely effective at the bargaining table. We label this perspective the irrational negotiator because the stance that these negotiators take at the bargaining table appears to be extreme, risky, reckless, and seemingly out of control. A constellation of theoretical treatments give rise to the “irrationality” approach; most notable are the views expressed by Thomas Schelling (1960) and Robert Frank (1988). We will ultimately argue, as do these theorists, that the “irrational” negotiator is, in fact, highly rational. Yet, on a strictly behavioral level, in terms of emotional expression, this person *appears* irrational and unreasonable. Irrational negotiators are effective because their irrational behavior convinces the other party that they would be willing to take great risks that would hurt both parties if they do not get what they want. Irrational negotiators use wild displays of negative emotion to persuade the other party to meet their demands. By appearing unstable and irrational, the irrational negotiator convinces his opponent that he would sooner walk away from the table without having reached an agreement than settle for anything less than he desires.

The irrational negotiator is effective to the extent that he can convince the other party that he will follow through with what seems to be an extreme course of action – perhaps because he has nothing to lose. Grave examples of such tactics can be found throughout history, as well as in the game theory literature. For example, before the German annexation of Austria, Hitler met to negotiate with the Austrian Chancellor von Schuschnigg. At some point in this dark historical meeting, Hitler’s mode of influence escalated to extreme coercive power: It “became more strident, more shrill. Hitler ranted like a maniac, waved his hands with excitement. At times he must have seemed completely out of control . . . Hitler may then have made his most extreme coercive threats seem credible . . . [He threatened to take von Schuschnigg into custody, an act unheard of in the context of diplomacy]. He insisted that von Schuschnigg sign an agreement to accept every one of his demands, or he would immediately order a march into Austria” (Raven, 1990, p. 515).

Game theorists stress that irrational behavior must be convincing to be effective. Schelling (1960) gives the example of two negotiators playing a game of “chicken” in their cars – a highly risky game. One person assumes an advantage if she rips the steering wheel out of her car and throws it out the window, as long as her opponent sees her doing this. The other party is then forced into being the one who moves out of the way; in other words, she is forced to concede, if both are to survive the game. But not just any behavior will suffice in order to evoke such concessions from the other party; in his book *Passions within Reason*, Frank (1988) argues that “for a signal between adversaries to be credible, it must be costly (or, more generally, difficult) to fake” (p. 99). Frightened that the negotiation may end in an impasse, the other party may be pressured to concede to what would normally be considered outrageous demands. This type of negotiation strategy is best characterized by the expression “the squeaky wheel gets the grease,” and can be highly effective. The negotiator who rants and raves is likely to get a large portion of the pie. The irrational negotiator is thus, synonymous to what we call the rant ‘n’ rave approach.

A close cousin of the irrational negotiator is the manipulative negotiator – the negotiator who controls emotion to his or her advantage. This approach is more popularly known as Machiavellianism. Similarly, Aristotle argued that “anyone can become angry – that is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way – this is not easy.” The actor who is so keenly in control of his emotions that the way in which they are displayed can be so precisely manipulated uses emotions in a highly rational way. However, little empirical evidence has tested this assumption.

Review of Three Models of Emotion in Negotiation and Prescriptive Implications

In this section, we critically examine the prescriptive advice that stems from each of the above perspectives. Some of this advice seems to be little more than common sense, whereas other advice is more counter-intuitive. As we will see, most of the prescriptive maxims derived from these approaches lack direct empirical support short of armchair observation, but many maxims have nevertheless attained the status of conventional wisdom. However, taken together, the prescriptive advice regarding the role of emotion in negotiation is often contradictory and confusing. In our discussion of these views, we pay special attention to the *type* of bargaining situation that is used to model negotiator behavior. To anticipate one of our conclusions, we argue that fundamentally different bargaining situations (i.e., fixed sum vs. variable sum and cooperative vs. non-cooperative) largely influence which strategy is most effective. Stated simply, in highly competitive bargaining situations, poker face or “irrational” strategies may indeed be effective; in contrast, in mixed-motive situations, particularly those in which parties’ interests are not common knowledge, positive affect is often an advantage.

The rational negotiator approach

Probably the largest body of prescriptive research and theory on negotiation exalts the negotiator as a rational actor (Nash, 1950; Raiffa, 1982). As a rational actor, the negotiator is expected to follow the axioms of normative bargaining theory. Within these axioms, there is little room for the expression of emotion. For example, in his book, *The Art and Science of Negotiation*, Raiffa (1982) lists “self control, especially of emotions and their visibility” as the thirteenth most important characteristic (out of 34 key characteristics) of highly effective negotiators (p. 120). Similarly, Nierenberg (1968) claims that “. . . people in an emotional state do not want to think, and they are particularly susceptible to the power of suggestion from a clever opponent . . . [an] excitable person is putty in the hands of a calm, even-tempered negotiator . . .” (p. 46). A common prescriptive maxim that emerges from the rational negotiator approach involves the “poker face” philosophy.

According to the rational negotiator approach, the negotiator is strictly advised to keep a poker face. Even though a negotiator may feel emotion, he or she dare not express it, lest it leads to less than desirable outcomes. According to economists, the negotiator who expresses relief, satisfaction, and approval risks settling for a worse outcome than does the poker face negotiator. For example, Raiffa (1982) strictly cautions negotiators from displaying emotion "... don't gloat about how well you have done..." (p. 130). Janis and Mann's (1977) model of decision making formalizes the injurious impact of emotion on decision-making quality. Specifically, they argue that decision-makers experiencing high levels of emotional stress often undergo incomplete search, appraisal, and contingency planning thought processes. As a result, they make defective decisions.

Although there may be benefits to "keeping a poker face," such rational behavior may not always be in a negotiator's best interest. The very act of trying to keep a poker face may have adverse effects, especially if this requires high levels of monitoring and control. When we tell ourselves not to conjure certain thoughts, we find that it is virtually impossible to refrain from thinking the exact thoughts that we did not wish to enter our minds. There can be a paradoxical effect of attempting to control thoughts and emotions. For example, when people are instructed to not think about white bears, they immediately gain a vivid image of white bears. This well-documented process of ironic monitoring (Wegner & Wenzlaff, 1996) which keeps people from successfully monitoring their cognitions, may also prevent negotiators from adequately monitoring their emotions. The more people try to block out unwanted emotions or mental states, the more accessible these very emotions may become. Indeed, people who spend more time trying to repair their negative moods are most likely to suffer from persistent emotional problems such as depression and anxiety (Wegner & Wenzlaff, 1996).

The self-monitoring effects of controlling emotion may also interfere with the mutual process of entrainment, whereby one person's internal process is captured and modified by another person – such as when one person in a positive mood "affects" the mood of the other person with whom she is interacting (Kelly, 1988; see also this volume, chapter 7). Entrainment refers to the observation that when people interact, each person synchronizes her behavior in accordance with the behavioral and emotional states of the other person. In time, people develop an interpersonal rhythm that reflects a shared emotional and behavioral state. Entrainment is a natural biological process that is conducive to social relations (Kelly, 1988). The negotiator who is deliberately focused on repressing emotion may interfere with this process and prevent negotiators from developing a naturally synchronized pattern of interacting. Specifically, the negotiator who deliberately adopts the "poker face" strategy may contribute to a more stilted and awkward interaction. Indeed, the creation of dyadic rapport facilitates the attainment of more mutually beneficial outcomes (Drolet & Morris, 1998; Moore, Kurtzberg, Thompson, & Morris, 1998).

Similarly, emotions can be contagious (Hatfield, Cacioppo, & Rapson, 1992). If one negotiator conveys positive emotion, the other negotiator is likely to "catch" this positive emotional state and convey positive emotion as well. Positive emotion promotes cooperative and integrative negotiating strategies (Forgas & Moylan, 1996), and facilitates, which in turn helps avoid impasse (Drolet & Morris, 1998; Moore et al. 1998; Thompson & Kim, in press). Positive emotions thus facilitate the negotiation process.

The concerns with the "poker face" advice are not meant to imply that we should never attempt to monitor our emotions; rather, they suggest that when it comes to a "poker face," the nature of the parties' interdependence is a critical issue, as well as the timing of the negotiation. According to Kelley (1979), people in a negotiation may be cooperatively or competitively interdependent. Walton and McKersie (1965) make the same point in their theory of bargaining. Namely, in some bargaining situations, people have perfectly opposing interests; in other bargaining situations, people's interests are not perfectly opposed, and in fact may be compatible – we call this mixed-motive interdependence. The "poker face" strategy would seem to be most advantageous when parties' interests are perfectly, negatively opposed – that is, there is no advantage to parties becoming mutually entrained. In contrast, in mixed-motive situations there is potential for integrative agreement, and in these instances, it would make sense for parties to attempt to build rapport with the other party, through displays of (genuine) positive emotion. Indeed, when parties' interests are purely opposed, negotiators display counter-contagion, taking pleasure when the opponent loses; when negotiators' interests are aligned, they show more sympathetic emotional contagion. In addition, timing may be key. At the beginning of a negotiation, "schmoozing" and conveying positive emotion can help build rapport and are conducive to more integrative outcomes (Moore et al. 1998). On the other hand, at other points of the negotiation, masking our true feelings could be beneficial. For example, conveying elation at the end of a negotiation makes our opponent feel less successful and less satisfied with the negotiation (Thompson, Valley, & Kramer, 1995).

In summary, the "poker face" strategy may be useful in situations of competitive interdependence. The logic of the rational, poker face negotiator is one that pertains most directly to situations in which negotiators' interests are directly opposed, such that a gain or an advantage for one party comes at the direct loss of the other party. In such situations, negotiators compete directly with one another – a situation known as distributive bargaining. Because every negotiation situation involves a distributive element, even mixed-motive negotiations (Lax & Sebenius, 1986), this is an argument for rationality. This assertion is true normatively; however, behaviorally, a more common road that negotiators take to reach settlement is to build rapport, and building rapport necessitates positive emotion (Moore et al., 1998).

The positive emotion approach

The positive emotion approach takes a completely different perspective on the role of emotion at the bargaining table. There are three critical processes in this regard: One involves *feeling* positive emotion; another involves *expressing* positive emotion; a third involves *engendering* positive emotion in the opponent. A constellation of social psychological mechanisms are involved in this approach, and quite frankly, the exact causal determinants surrounding the effectiveness of positive emotion have yet to be clearly identified. Our review of the literature reveals two psychological mechanisms that may underlie the powerful positive emotion effect. One relates to balance principles and the other to information processing.

One psychological mechanism that may underlie positive emotions relates to basic principles of balance and congruence, dating back to Heider (1958) and Newcomb (1961). At the bargaining table the negotiator reasons something like the following: If I like the other party and I am interacting with him/her, then I should expect a favorable outcome. Similarly: If I do not like the other party and I am interacting with him/her, then I should expect a negative outcome. Quite often, negotiations break down because negotiators assume the worst about each other and take offense even when none was intended. Negotiators form either positive or negative impressions of the other party early on in a negotiation. The balance principle suggests that parties at the bargaining table will interpret the opponent's statements and behaviors in a positive light if they like each other. Furthermore, it is parties' expectations that guide negotiators' subsequent behaviors, and according to Deutsch (1973), determine whether the negotiation takes a productive or destructive course. The balance principle is also consistent with the notion of entrainment. If two negotiators feel positively toward each other, they are likely to develop positive rapport that facilitates the mutually beneficial attainment of settlement.

A quite different theoretical perspective is related to positive emotion and information processing (Forgas, 1998; Isen, 1987). According to this theoretical perspective, effective negotiation requires creative information processing and it is positive, rather than negative emotion, that instigates such cognitive processing. Specifically, the instantiation of positive affect is associated with more creative and varied cognitions – precisely those that can facilitate integrative bargaining (Forgas, 1998; Isen, 1987). Corroborating evidence from examinations of positive affect on creative ability suggests that when people are experiencing a positive mood, they are more creative (Baron, 1990; Isen et al. 1987). One explanation for this is that positive emotions can affect cognitive processes such that people are better at integrating information and more flexible in conveying their thoughts (Isen et al., 1987; Isen, Niedenthal, & Cantor, 1992). For example, in one investigation, people experiencing positive affect were more likely to see relationships among ideas and to link non-typical category exemplars together (Isen et al., 1992). In negotiations, an increase in cognitive complexity and creativity can lead to higher joint gains (Carnevale & Isen, 1986). In contrast, some research suggests that positive mood can induce more heuristic, as opposed to thoughtful information processing. Under certain circumstances, one's own positive mood may reduce the motivation to systematically process message content (Bohner, Crow, Erb, & Schwarz, 1992; Schwarz & Bless, 1991), and the perception of a positive mood in another may prompt the use of heuristics in impression formation (Ottati, Terkildsen, & Hubbard, 1997). Although this would seem to lead to worse, rather than more effective negotiation performance, we believe that the heuristic processing instigated by positive moods differs from the cognitive biases revealed in the negotiation literature.

A number of prescriptive maxims derive from the positive emotion approach to negotiation. A common maxim deriving from this perspective is, "Do not sour the negotiation with an extreme opening offer." The common lore is that an extreme opening offer will anger the other party and cause him or her to retaliate with an extreme offer in return. An opening offer, in the case of two negotiators who do not know each other well, represents the first impression that they have of one another. In the long run, it is feared

that feelings of anger arising from an extreme opening offer can cause the opponent to be less cooperative, strongly increasing the probability of an impasse. A variety of research suggests that negative information learned early on about a person can have a powerful effect on impression formation (Asch, 1946).

In fact, there is some evidence that extreme offers may actually be strategically advantageous (Siegel & Fouraker, 1960; Thompson, 1995). Thompson (1995) found that negotiators with higher aspirations tended to place greater demands on their opponents, and ultimately realized greater payoffs. Thus in contrast to intuition, extreme opening offers may result in more profitable outcomes for the negotiator who makes them. Thus, the widely held assumption that one should not sour the negotiation with an extreme opening offer is flanked by two opposing theoretical assumptions and bodies of research. Research that supports the maxim indicates that uncooperative and hostile negotiators realize fewer joint gains than cooperative negotiators. Research that challenges the maxim suggests that the anchor provided by an extreme offer can actually help the party who makes the initial offer obtain a greater ultimate profit.

A second prescriptive maxim deriving from the positive emotion in negotiation view is the advice to "leave the other party feeling good." This popular belief is based on the notion that engendering positive feelings in the other party benefits future negotiations. The assumption is that if an opponent leaves the negotiation feeling good about the process and the outcome, that person will be likely to engage in a cooperative fashion in subsequent negotiations and to fulfill the terms of the current contract. In addition, the way an opponent feels about the negotiation at its completion has implications for our reputation. An opponent who feels good about a negotiation may speak highly of us, thus enhancing our reputation. Thus, assuming that these positive feelings endure, we can build a positive reputation and enjoy success in our future negotiations. On the other hand, we may assume that an opponent who leaves the negotiation with negative feelings will be unlikely to want to cooperate with us in subsequent interactions. If our opponent has a negative experience with us, we may also fear gaining a reputation for being uncooperative.

One reason why negotiators may want to end the negotiation on a positive note is that people tend to place a great deal of emphasis on the end point of an event and on the event's peak moment in determining their overall evaluation of the event itself (Fredrickson & Kahneman, 1993; Kahneman, Fredrickson, Schreiber, & Redelmeier, 1993; Redelmeier & Kahneman, 1996). The maxim "leave your opponent feeling good" resonates with this idea that the end point has a large impact on the overall evaluation of an experience. This suggests that even if an opponent felt as though she were pressured to make concessions during a negotiation, she could remember the negotiation favorably if the last few minutes of the interaction were experienced positively. For example, when opponents end the negotiation on a humorous note (e.g., "I will throw in my pet frog") acceptance rates are higher than when they do not (O'Quin & Aronoff, 1981).

Whereas we may want to leave our *opponents* feeling good at the conclusion of a negotiation, we do not want to show our opponent that *we* feel good. Thompson et al. (1995) found that independent of the actual outcome, negotiators felt less satisfied (and presumably less positive) with the negotiation when they believed their opponents were happy with the final outcome. This research also indicates that negotiators who told their

opponent they felt good at the end of a negotiation ended up getting fewer dollars from their opponent in a subsequent allocation decision. This suggests that one should always avoid gloating at the end of a negotiation, regardless of how pleased one may be with the outcome. In fact, it may be wise to end a negotiation by pretending to be unhappy, thus causing the opponent to feel guilty and indebted.

A third perspective, which derives from the positive emotion view, is that hostility is detrimental to negotiation. The assumption is that hostility in a negotiation may breed further hostility that will spiral out of control. "Once an attack-defense cycle gets going the parties queue up to get their thrust in. The faster the attacks, and their replies, the higher the emotional tension. People in an emotional state make threats, not necessarily intending to carry them out, but threats provoke counter-threats and the parties may end up in a mutual exchange of sanctions because they boxed themselves into corners from which a retreat would [seemingly] cost too much . . . The consequence is that parties get nowhere except further apart which is the antithesis of negotiating" (Kennedy, Benson, & McMillan, 1980, pp. 42-43). The conflict spiral derives from Gresham's law. Such destructive conflict tends to escalate and expand, often irrespective of the initial cause, due to competition, misperception, and commitment processes (Deutsch, 1973).

The conflict spiral, or interchange of mounting negative affect, leading to irrational behavior is a cornerstone principle of dyadic communication. Individuals organize the continuous flow of interaction into discrete causal chunks (Swann, Pelham, & Roberts, 1987; Whorf, 1956). When engaged in conflict, people interpret these sequences of communication differently. Each party parses, or "punctuates" the conflict situation differently (Kahn & Kramer, 1990). That is, each party sees their own negative behavior as a defensive reaction to the unprovoked negative behavior of the other side; and simultaneously perceives the other party as an aggressor. Indeed, negative conflict spirals have been cited as a cause of war and continuing conflict between nations (Deutsch, 1973).

Even in the absence of outside provocation, processes internal to conflict cause it to escalate and persist over time. Once a conflict is underway, changes occur in the relationship between the conflicting groups. Negotiations often collapse when one party becomes angry with the other and desires to hurt the other party, rather than satisfy itself (Bazerman & Neale, 1983). The conflict spiral may further be fueled by the fact that negative emotions may be contagious (Hatfield et al., 1992).

Does the conflict spiral stemming from hostility imply that negotiators should avoid displaying hostile attitudes and behavior altogether? Not necessarily. In some cases, expressing hostility may actually facilitate the negotiation by allowing parties to "vent" or express emotion. "Particularly in interpersonal disputes, hostility may diminish significantly if the aggrieved party vents her anger, resentment, and frustration in front of the blamed party, and the blamed party acknowledges the validity of such emotions or, going one step further, offers an apology. With hostility reduced, resolving the dispute on the basis of interests becomes easier" (Ury, Brett, & Goldberg, 1988, pp. 6-7).

The benefits of positive emotion have been empirically examined nearly exclusively in the context of mixed-motive or integrative bargaining situations. In mixed-motive negotiations, parties must *cooperate* with one another to maximize the size of the pie and reach

mutual settlement, yet *compete* with each other so as to gain as much as they can for themselves. This is a challenging goal because negotiators do not have complete information about the other party's interests and so it is not obvious how the most joint gains can be attained. The pie can be enlarged in a number of ways, such as by trading issues on which parties preferences and priorities differ, adding new compatible issues, or capitalizing on differences in beliefs (see Thompson, 1998 for an overview). As indicated above, negotiators who are in a positive mood reach more mutually beneficial settlements than do those in neutral (or negative) moods. However, an obvious, but as yet, unanswered question concerns the impact of emotion on the distributive (or competitive) component. Generally, experimental studies have not examined this issue and therefore, our conclusions are that when both negotiators are in a positive mood, greater joint gains will be attained than when negotiators are in a negative, or neutral, mood; but it is unclear whether the positive emotion negotiator will gain significantly less of the total joint gain if paired with a negative or neutral opponent.

The "rant 'n' rave" approach

The irrational negotiator perspective, or "rant 'n' rave" approach, asserts that the expression of extreme negative – to the point of irrational – behavior can be highly effective. To the extent that a negotiator can convince the other party that he or she is just crazy enough to take outrageous risks, he or she can actually achieve a bargaining advantage (Schelling, 1960). A negotiator who is faced with an irate opponent may capitulate to the other party to end the interaction quickly (Frank, 1988). Although little or no empirical research has examined this strategy, there are four psychological explanations that may account for its effectiveness: perceptual contrast, negative reinforcement, self-regulation theory, and somewhat paradoxically, game theory.

The door-in-the-face technique (Cann, Sherman, & Elkes, 1975; Cialdini, 1975), most commonly investigated in the persuasion contexts, highlights the usefulness of perceptual contrast. The basic premise is that to the extent that a person makes what is perceived to be an outlandish, ridiculous request, he or she is more likely to secure agreement to a subsequent, smaller request. The fundamental principle involved is that of perceptual contrast (Cialdini, 1993). Quite simply, when we compare two different requests, one extreme and the other more modest, we perceive the second request to be much more reasonable than if we were to consider only the second request without having heard the first one. In the same way, perceptual contrast explains why, if we lift a heavy object, set it down, and then lift a light object, we perceive the light object to be much lighter than it actually is. Skilled negotiators have been profiting from perceptual contrast effects for years (Cialdini, 1993). Consider the savvy car salesperson who shows the potential buyer the most expensive models before showing her the model in which she is actually interested. Compared to the \$40,000 price tag of the expensive model, the \$20,000 price tag of the intended sale seems much more palatable. Thus, the negotiator who is aware of perceptual contrast effects can use them to her advantage. By making an outrageous initial request, one can increase the possibility that the second request will be accepted by one's opponent.

A second psychological explanation for the rant 'n' rave approach relates to basic principles of negative reinforcement (Skinner, 1938). Negative reinforcement, or escape behavior, explains the increased likelihood of behavior that eliminates or removes an aversive stimulus. If the radio is playing obnoxious music, the listener will turn it off, thus eliminating the unpleasant stimuli. In a similar vein, because most people find it unpleasant to be around hostile, negative, and demanding people, they may be willing to give the person what he or she wants just to make the other person be quiet. Ironically, this behavior operates as a positive reinforcement to the person displaying negative behavior. Conceding to an opponent's bursts of irrationality means rewarding their hostile behavior, and increases the likelihood of this behavior in the future. Thus, "squeaky wheel" negotiators may capitalize upon and be reinforced for their hostile behavior.

Similarly self-regulation theory (Baumeister, Leith, Muraven, & Bratslavsky, 1998) explains why people may give in to a hostile opponent. This theory proposes that most people like to prolong positive moods and exposure to positive stimuli and minimize negative moods. People self-regulate by actively working to maintain a desired positive mood; one way to achieve this is to avoid negative stimuli. Being around a "ranting and raving" negotiator is usually unpleasant, so much so that the negotiator will want to remove him or herself from the situation, which often means capitulating.

Paradoxically, game theory also helps understand a number of prescriptive maxims that derive from the irrational negotiator perspective. Probably the most well known is the *squeaky wheel principle* (Singelis, 1998). The squeaky wheel principle states that a negotiator should demonstrate an unwillingness to move away from a stated position, by escalating the level of hostility and using threats. Whereas little or no empirical research has examined the efficacy of this strategy, Schelling (1960) and Frank (1988) provide qualitative evidence that this strategy can be remarkably effective.

For example, a threat that compels rather than deters often takes the form of administering the punishment until the other acts, rather than if he acts. Schelling (1960) describes a situation with two people in a row boat. If one threatens the other that if he doesn't row the former will tip the boat over, that would not be as powerful as starting to rock the boat fervently while yelling at the other to row if he wants him to stop rocking. Thus, "initiating steady pain, even if the threatener shares the pain, may make sense as a threat, especially if the threatener can initiate it irreversibly so that only the other's compliance can relieve the pain they both share" (Schelling, 1960, p. 196).

Frank (1988) in his book, *Passions within Reason*, develops the idea that being motivated by emotion can be a competitive advantage, as long as one can stand up to the commitment made during an emotional outburst. An emotional negotiator is more likely to be able to make a credible threat of walking away from an offer she perceives as unfair, even if that offer would entail an objective gain for herself. This may allow the emotional negotiator to procure a better offer from her opponent, thus capturing a larger share of the bargaining zone.

A second maxim to be derived from this strategy is what we call the *tough strategy*, which involves signaling toughness throughout the negotiation so that the opponent will respect your position. Negotiators who make fewer concessions and make smaller concessions are indeed more effective in terms of maximizing individual gain compared to those who make larger and more frequent concessions (Siegel & Fouraker, 1960; Yukl, 1974).

The rant 'n' rave strategy has been modeled (but not empirically examined) primarily in the context of non-cooperative bargaining situations – situations in which each party makes a unilateral choice, not knowing at the time what the opponent will do, but knowing what the full range of outcomes will be. Thus, this bargaining situation differs significantly from the integrative bargaining situation used in the positive emotion literature, which nearly exclusively focuses on behavior in cooperative bargaining situations – that is, situations in which parties must mutually agree for any settlement to be binding. Another significant difference between the typical rant 'n' rave context and that of positive emotion has to do with how much information the parties have regarding what the possible outcomes might be. The positive emotion research has focused on situations in which negotiators have incomplete information about the other's interests and thus, the two of them need to cooperate in large measure so as to jointly determine the range of possibilities. In contrast, the irrational negotiator approach has been primarily studied in situations where the opponents have the same information; situations that have binary cooperate or deflect choices, such as the prisoners' dilemma or chicken game.

There are several ways in which signaling toughness can impede a negotiation. Whenever we try to convey an emotional position like toughness we run the risk that our opponent will either fail to receive our intended message, or will grossly misinterpret it. A staunch position can easily be misinterpreted as coercion or hostility rather than the respect and deference the tough party hopes to convey. This type of misinterpretation sets the stage for a conflict spiral (Rothbart & Hallmark, 1988) which is likely to lead to an impasse.

As a case in point, consider what happened during World War II (Rothbart & Hallmark, 1988). Shortly after the United States joined the allied forces in World War II, the Americans and British engaged in costly bombing raids over Germany aimed at decreasing the Germans' "will to resist." Although the allies would have expected to respond to the German's hostility by initiating a counter-attack, they expected that the Germans would respond to their displays of aggression by retreating in fear and intimidation. Participants on both sides predicted that they would retaliate against their opponent's coercive tactics while their opponents would retreat in response to their displays of aggression. In addition, negotiators often signal toughness by adopting a Boulwaré strategy (Walton & McKersie, 1965), wherein they make their position known and propose a first and final offer. Boulwarism is not very effective (Raiffa, 1982) and can instigate a conflict spiral (Thompson, 1998). Whereas signaling toughness may engender the respect of your opponent, it may also quickly escalate conflict and make reaching a settlement virtually impossible.

Misperceptions about Emotions in Negotiation

The most common prescriptive maxims regarding emotion that guide the behavior of negotiators at the bargaining table are hardly consistent and, in some cases, downright contradictory. The prescriptive literature advises negotiators to be simultaneously rational, positive, and irrational. We undertake an examination of psychology of emotions in negotiations to disentangle the conflicting aspects of the above strategies. This requires a

careful analysis of how people perceive emotions. Most important, it requires an analysis of how emotions are often misperceived. Specifically, three misperceptions about emotions in negotiations permeate much of the prescriptive advice offered to negotiators in all three of the perspectives we have reviewed. These three common misperceptions are that: (1) people can accurately understand and read emotions in others; (2) emotional states endure over time; and (3) emotion predicts behavior. We argue that these misperceptions affect negotiators' ability to effectively negotiate, in terms of maximizing both joint gain and individual gain.

Misperception 1: People can accurately understand and read emotions in others

Much prescriptive advice assumes that people have near-perfect insight into the emotions of others. Consider, the "keep a poker face" maxim. The maxim assumes that if a negotiator were to display any emotion, the other party would be able to accurately state and correctly interpret its meaning, thus conferring him with information about the opponent's position. In other words, the "keep a poker face" maxim presupposes that negotiators can accurately detect emotion in others.

People have limited access even to their own emotions (Loewenstein & Schkade, 1997), let alone to the emotions of those around them, and they often mispredict why others feel the way they do (Ekman, 1985; Keltner, 1994). In addition, people misjudge the intensity of their feelings (Keltner & Robinson, 1993) and are overconfident in their ability to predict others' emotions (Dunning, Griffin, Milojkovic, & Ross, 1990). Whether it is because people fail to account for situational factors (Dunning et al., 1990; Kulik, Sledge, & Mahler, 1986), or are unable to distinguish genuine from contrived emotions (Keltner, 1994), people are not as adept as they believe themselves to be at predicting how other people will feel or behave in different circumstances.

Complementing this bias is the fact that we believe that others can read our internal states more accurately than is actually the case. Most of us believe that other people can readily read what we are thinking and feeling (Gilovich, Savitsky, & Medvec, 1998) and fear that we let too much information about our emotional states leak out. We fall prey to an "illusion of transparency," overestimating the extent to which our emotions "leak out," and become detectable to others (Gilovich et al. 1998). Negotiators who fall victim to this bias may be convinced that their genuine feelings of joy, anger, or anxiety have seeped out, and may not believe they have successfully concealed their true attitudes. The illusion of transparency bias suggests that it is difficult to know if we have successfully maintained a poker face. We may think we are conveying too much or very little emotion, but our opponents may not notice it at all.

Misperception 2: Emotional states endure over time

Much prescriptive advice assumes that emotional states endure over time. We generally assume that a positive event, such as winning the lottery, getting a raise, and falling in

love will have a long-lasting effect on our overall happiness. We also assume that intensely negative events, such as getting fired, being in an accident, or losing a loved one will leave us unhappy forever. Contrary to popular belief, the emotional effects of extremely negative events or extremely positive events do not last nearly as long as we would think (Gilbert, Wilson, Pinel, & Blumberg, 1998; Suh, Diener, & Fujita, 1996; Wortman & Silver, 1989). We do not sustain prolonged levels of intense distress or elation, but rather, adapt to these hedonic states and return to a more neutral level of functioning (Frederick & Loewenstein, 1998).

Because our intuition about the effects of highly emotional events is often incorrect, we have a tendency to over-predict how long we will feel sad in response to a tragedy, or happy in response to a joyous event. For example, when people predicted how they would feel several months after the termination of a romantic relationship, they over-predicted the duration of their negative affect (Gilbert et al., 1998). Additionally, when faculty members predicted how they would feel after failing to achieve tenure, after receiving negative personal feedback, and after being turned down from an attractive job, they consistently over-predicted how long their negative affect would last – that is in comparison to the reports of people who *did* endure these unfortunate events (Gilbert et al., 1998).

According to the durability bias (Gilbert et al., 1998) we do not adequately account for the ability of our psychological immune system to *adapt*. Through a variety of psychological mechanisms, we are able to reinterpret, reinvent, or altogether ignore negative events to reduce the consequences of such events on our subjective well-being. These defenses provide a psychological shield that protects us from deviating too far below our chronic levels of subjective well-being. For this reason, it is quite likely that negotiators overestimate the impact a particular negotiation will have on their own subjective well-being, and overestimate the effect that a negotiated outcome will have on how someone else feels.

Indeed, people's prospective expectations and retrospective evaluations of events are more positive than the actual experience of the events (Mitchell, Thompson, Peterson, & Cronk, 1997). For example, in one investigation people anticipated that they would enjoy events like a trip to Europe, a Thanksgiving vacation, and a bicycle trip more than they actually did (as indicated by journals that were kept during the events), and remembered the events as being more enjoyable than they actually experienced them at the time. Their in-the-moment negative evaluations tended to be short-lived, and were quickly replaced by positive memories of the experiences (Mitchell et al., 1997).

What specific psychological processes account for this relative immunity to negative events? One possibility is that individuals selectively remember only the most positive aspects of an event so that their enduring memory will be positive. Likewise, they may distort or transform experiences so that an in-the-moment disappointment becomes a much-cherished memory. Most of us interpret an aggravating experience as a "comedy of errors," emphasizing the comic element more and more over time (Mitchell et al., 1997). Additionally, a desire for cognitive consistency compels people to have memories of an event that match their expectations of that event. Thus, a highly anticipated event, despite its actual quality, is likely to be remembered well. Overall, it seems that people are motivated to gloss over negative details of an event, and reframe events into a positive experience that will serve a positive self-image. This psychological immune

system is “invisible” (Gilbert et al., 1998) in that it is largely unknown to us until we are forced to utilize it, and, in fact its invisible nature is critical to its effectiveness. If we were made aware of the way in which we were distorting information to alleviate our negative affect, we would be unable to properly defend ourselves psychologically. The idea of a psychological immune system helps us understand why our negative affect dissipates rather quickly, but does not offer a compelling explanation as to why we often experience a similar dissipation of positive affect. Why is it that previous lottery winners have been found to be no happier than non-winners? (Brickman, Coates, & Janoff-Bulman, 1978).

One explanation is *focalism* – the tendency to focus on the precipitating event to the exclusion of all others (Gilbert et al. 1998). Events happen within the context of our lives yet we often ignore this context when estimating the impact that a particular event will have on us. Thus, if we are asked how we would feel six months after winning the lottery, we focus only on that winning event, ignoring all of the other events that may also impact our affective state. On the other hand, when we report our actual happiness six months later, the fight we had that morning with our spouse, the call from our child’s teacher, and the hunger pangs we are experiencing because we skipped breakfast are all very salient and have a distinct influence on our reported level of happiness. Thus, the context surrounding the event is often overlooked in people’s predictions, but this context plays a very significant role in actually determining people’s happiness.

Just as we miscalculate the duration of our affective responses, so too, do we misconstrue the way in which the duration of our experiences influences our retrospective evaluations of them. One of the more universal beliefs is that people seek to maximize pleasure and reduce pain. Likewise, most of us assume that, if given the choice, we would prolong pleasurable or hedonic experiences, and diminish unpleasant experiences.¹ Contrary to basic psychological intuition, our evaluations of episodes are often based on trends rather than duration (Varey & Kahneman, 1992). For example, an episode that is painful for ten minutes is considered worse than an episode that is equally painful for the first ten minutes, but is followed by five minutes of less intense pain (Redelmeier & Kahneman, 1996).

Rather than basing evaluations on the aggregate level of pleasure or pain, we often base our evaluations on the peak and end moments of the experience (Redelmeier & Kahneman, 1996). This effect has been predominantly studied in terms of unpleasant or painful experiences. People’s evaluation of painful or unpleasant experiences is based on the level of discomfort at the most intense moment of the episode (the peak) and the level of discomfort during the final moments of the episode (the end) (Fredrickson & Kahneman, 1993; Kahneman et al., 1993; Redelmeier & Kahneman, 1996). Thus, episodes that end with intense pain, even if they are brief, are evaluated worse than episodes that begin with the same initial level of pain, but have additional moments of decreasing pain tacked onto their end. This phenomenon of duration neglect (Fredrickson & Kahneman, 1993) has been demonstrated with painful colonoscopy procedures (Redelmeier & Kahneman, 1996), aversive film clips, and the submersion of extremities (such as fingers) into painfully cold water (Kahneman et al., 1993), but not yet in negotiations. The duration of the episode, or its integrated utility, seems to have little, if any effect on the way we feel about the experience.

People also give disproportional weight to the final moments of an interaction when retrospectively evaluating social interactions (Fredrickson, 1991). Fredrickson (1991) showed that people who believed their social interactions would be terminated at the end of the experimental session judged the entire social relationship on the affect they were experiencing during the final moments of the interaction. There was no correlation, however, between the relationship evaluations and the affect experienced during the final conversation among people who believed that they would reconvene with their social partner the following day. This suggests that we base our social evaluations on the way we feel about the relationship at the perceived end of the encounter.

But what does all of this mean for the conduct of negotiations? Do we need to leave our opponent feeling good? The durability bias (Gilbert et al., 1998) suggests that we greatly overestimate how long we and others will feel strong emotions. Thus, although many negotiators assume that positive feelings in their opponent will last indefinitely, research suggests that such feelings may actually be fleeting. If this is the case, then leaving an opponent feeling good at the end of a negotiation will have little impact on future negotiations that are temporally distant. Leaving an opponent with negative feelings may also be relatively harmless if the durability bias is accurate and these feelings wear off before the next interaction. On the other hand, if the feeling at the end is the most prominent in defining the other person’s evaluation of the interaction then leaving the opponent feeling good may be useful in terms of your general reputation with the other party. However, if it is only the feeling at the end of the negotiation that is key, this may mean that one can be demanding throughout the negotiation as long as at the end of the negotiation one makes a concession which is then highlighted to one’s opponent to make him or her feel good.

Misperception 3: Emotion predicts behavior

Much prescriptive advice assumes a distinct causal relationship between emotion and behavior. Presumably, one reason why negotiators care about emotion in negotiation is because they believe that emotions predict behavior. Consider the maxim “do not sour the negotiation with an extreme opening offer.” The assumption behind this belief is that an extreme opening offer will anger the opponent and cause him or her to behave in a hostile, uncooperative manner. However, people’s access to their own internal states – namely their emotions – is relatively limited and often faulty (Wilson, 1985; Wilson & Dunn, 1986; Wilson & Schooler, 1991). As a result, people often miscalculate what they are feeling, which leads to subsequent miscalculations about their corresponding behavior. Furthermore, when people try to introspect and monitor their feelings, it often leads to inconsistent behavior (Wilson, 1985; Wilson & Dunn, 1986; Wilson, Dunn, Kraft, & Lisle, 1989; Wilson, Hodges & LaFleur, 1995; Wilson & LaFleur, 1995; Wilson, Lisle, Schooler, Hodges, Klaaren, & LaFleur, 1993; Wilson & Schooler, 1991).

Focusing on feelings themselves presumably makes attitudes more salient, and is therefore thought to increase attitude–behavior consistency; however, analyzing the reasons for feelings reduces attitude–behavior consistency. For example, when students were simply asked to think about which beverages they preferred, there was increased attitude–

behavior consistency in the beverages they chose at their subsequent meal (Wilson & Dunn, 1986). When asked their reasons for preferring certain beverages, attitude-behavior consistency decreased at their subsequent meal.

Why does introspecting about reasons for preferences negatively affect attitude-behavior consistency? According to Wilson (1985) when people are asked to analyze the reasons for their feelings, they construct a plausible explanation to account for what are often unconscious, preverbal feelings. The problem is that people are often unaware of why they feel the way they do. When asked to defend their feelings, they focus on the most salient, reasonable interpretations, even if these explanations are inaccurate, or misrepresent their initial attitude. People search for "factors that are plausible and easy to verbalize even if they conflict with how they originally felt" (Wilson & Schooler, 1991, p. 182). "To the extent that these cognitions have a different valence from one's affect, and to the extent that behavior remains affectively based, attitude-behavior consistency will suffer" (Wilson & Dunn, 1986, p. 251). This suggests that attitude-behavior inconsistency is due to the fact that once people have analyzed the reasons for their feelings, they adopt a new attitude; however, their behavior is still based upon their original attitude. The outcome is an apparent inconsistency between their newly formed attitude and their behavior. An alternative explanation suggests that people's behaviors are actually aligned with their newly formed attitudes, and are thus inconsistent with the way they originally (and presumably, genuinely) felt.

Given that our attitudes are often inconsistent with our behavior, it is not surprising that we are overconfident in our ability to accurately predict our own behavior (Osberg & Shrauger, 1986; Vallone, Griffin, Lin, & Ross, 1990). One reason for overconfident self-predictions may be self-reflection (Wilson & LaFleur, 1995). As discussed above, people who analyze the reasons for their feelings and preferences demonstrate increased attitude-behavior inconsistency. Along with attitude-behavior inconsistency, introspection of this nature can lead to inaccurate and overconfident predictions about our own future behavior. The fundamental attribution error (Griffin, Dunning, & Ross, 1990; Nisbett & Ross, 1980; Ross, 1977) also contributes to people's tendency to be overconfident in their self-predictions. Although most often understood as a social or interpersonal phenomenon, people also discount situational factors when making predictions about their own behavior. In other words, people fail to consider the uncertainty of situational construals in predicting their own future responses. For example, when participants in different situations were asked to predict how much money they would spend on certain events, and how much time they would spend engaged in certain activities, they did not consider the uncertainty of their situations when predicting their future behavior or their confidence in these predictions (Griffin et al., 1990). "To the extent that people naturally and habitually treat their situational construals as if they are error-free representations of reality, their predictions and assessments are bound to be overconfident" (Griffin et al., 1990, p. 1138).

People's overconfidence in their ability to predict future behaviors transcends the intrapersonal realm, and is also evidenced in people's predictions about the behaviors of others. Just as people discount the uncertainty of situational construal in predictions about themselves (Griffin et al., 1990), so too do they discount situational factors when making predictions about the future behavior of others.

Individuals often use misguided inferences about the role that other people's dispositions played in past behaviors, and are therefore likely to overestimate the role such dispositions will play in their future behaviors (Dunning et al., 1990). Furthermore, even when people predict the future behaviors of those with whom they are quite familiar, they tend to underestimate situational variables and mispredict these people's future behaviors. They also tend to be overconfident in the accuracy of these predictions.

It may be our failure to properly predict how others make sense of, or *feel* about, situations that limits our ability to predict their behavior. Consistent misprediction of other people's behavior suggests that we are unable to infer the thoughts and feelings of other people. Overconfident predictions suggest that we are not fully aware of how easily and how often we fail to understand the way in which other people are subjectively construing situations. If people are overconfident about their opponents' behaviors in a negotiation, it is likely that they are overconfident in their assessments about how their opponents are feeling about the negotiation.

The discontinuity between emotion and behavior is key to evaluating the maxim "do not sour the negotiation with an extreme opening offer." First, we must consider whether extreme offers arouse feelings of anger in our opponents. Whereas common sense may tell us they should, empirical evidence suggests the opposite. Even if an extreme offer does anger our opponent, it is not clear that our opponent's anger will impact his behavior in the negotiation since there is often a dissociation between our feelings and our subsequent behaviors (Wilson & Dunn, 1986; Wilson & Schooler, 1991). This suggests that feelings of anger may not necessarily lead to hostile or uncooperative behavior. Thus, we may be misguided in avoiding extreme opening offers. First, we may not be as accurate as we believe in assessing the emotional response that will be triggered by an extreme offer and second, we may be overestimating the relationship between individuals' emotional reactions and their subsequent behavior.

Conclusion

In this chapter, we have outlined three prescriptive approaches for negotiation: the rational strategy, the positive strategy, and the irrational strategy. At first glance, these three perspectives of negotiation appear to be in conflict, as it would seem impossible for a negotiator to simultaneously not show emotion, display positive emotion, and express extreme negative emotion. In addition, these three views give rise to prescriptive advice that is not only contradictory across perspectives, but also whose validity is often called into question by existing research. We argue that there are three common misperceptions about emotions in negotiations that permeate the strategies offered to negotiators. Recognizing these misperceptions does not eliminate contradictions in the prescriptive advice, but it may help negotiators understand when certain approaches may be better than others, and understand the limitations of all of the strategies.

It would seem natural to address the question of which strategy is indeed the most effective in negotiation. We have partially attempted to answer this question by concluding that the optimal strategy depends in large part on the type of bargaining situa-

tion. To this end, we drew a distinction between the type of bargaining game, cooperative or non-cooperative, and concluded that in many cooperative bargaining situations, positive, as well as rational, strategies can be highly effective; whereas in non-cooperative bargaining games (e.g., prisoner's dilemma, etc.) aggressive, and rational strategies can be effective. Thus, in our treatment of the negotiation literature, we distinguish two fundamental bargaining objectives that are related to outcomes: the creation of value (this is typically referred to as the win-win aspect of negotiating) and the distribution of value (this is typically referred to as the win-or-lose aspect of negotiating). The distinction between integrative and distributive aspects of negotiations is hardly new. Raiffa (1982), Lax and Sebenius (1986), and Bazerman, Mannix, and Thompson (1988) have argued that negotiators face a mixed-motive enterprise in that they must cooperate with the other party so as to ensure agreement and to find joint value but simultaneously compete with the other party concerning the distribution or allocation of the joint value. The contribution of this chapter lies in illustrating the interaction between these situations and emotional content and process of negotiations.

Certain prescriptive strategies regarding the use of emotion may apply to the value-creation process while others apply to the distributive process. The social psychological perspective that advances the "positive emotion" negotiator emphasizes joint or mutual outcomes in non-zero-sum and cooperative games, whereas the irrational negotiator perspective emphasizes individual outcomes in zero-sum and non-cooperative games. The rational approach and its prescriptive poker face pertain mostly to situations in which negotiators' interests are directly opposed – the distributive aspects of either type of zero-sum or non-zero-sum games.

The three approaches we identify can also be considered three distinct mental models. Mental models describe the ways in which people understand social and physical systems and often refer to the way they think about problem solving (Johnson-Laird, 1983; Rouse & Morris, 1986). Negotiators have different kinds of mental models that they can apply to a negotiation situation, such as a "fixed-pie" model versus a "creative problem-solving" model (Van Boven & Thompson, 2000). We argue that the rational, positive, and aggressive approaches represent three different mental models for approaching negotiation.

Applying the accurate mental model to the negotiating situation is key for successful outcomes. People often misapply mental models, for example, operating a home thermostat like a gas pedal (Gentner & Gentner, 1983). Imagine a person interested in heating his home views the thermostat as either that of a kitchen oven or a gas pedal in the car. The former assumes that, by turning on the heat to a higher temperature, like operating the gas pedal in the car, the house will reach a higher temperature at a faster pace. The latter, accurately realizes that the house, similar to a kitchen oven, will reach the temperature on the dial (either 375 degrees for baking a cake or 68 degrees for warming the house) at the same rate no matter whether the thermostat of either is initially set to the desired temperature or to a higher one. This analogy stresses the importance of having a mental model that is appropriate for the given situation. To the extent that their negotiating mental model – rational, positive, or aggressive – is appropriate for the particular type of negotiation, negotiators will be more successful.

While the three approaches seem to be very different, the prescriptive advice that flows from them shares a disconcerting commonality. Specifically, much of this advice is based

on flawed assumptions about people's ability to perceive emotions, the durability of emotions, and the relationship between emotions and behavior.

Throughout this chapter, we have attempted to identify some of the most common misperceptions regarding emotion. A better understanding of the role emotion actually plays in a negotiation can lead to a more informed use of the maxims and perhaps an ultimate blending of the three approaches. For example, a negotiator who recognizes that the way one feels at the end of an interaction is most important in defining that person's evaluation of the event, can use an aggressive approach throughout the negotiation to capture more of the pie, and can conclude the negotiation with a positive approach to secure a good reputation for future interactions. In the end, we argue that negotiators need to fit their negotiation strategies with the given situation and understand and capitalize on the psychology of emotion that underlies these strategies.

Note

- 1 The value of an experience is known as its utility (Varey & Kahneman, 1992). When we evaluate our experiences, we think of highly pleasurable experiences as having high utility, while a disagreeable experience is said to have high disutility.

References

- Allred, K. (1996). *Judgment anger and retaliation: A new perspective on conflict in organizations*. Unpublished manuscript.
- Allred, K., Mallozzi, J. S., Matsui, F., & Raia, C. P. (1996). The influence of anger and compassion in negotiation performance. *Organizational Behavior and Human Decision Processes*, 70(3), 175–187.
- Asch, S. (1946). Forming impressions of personality. *Journal of Abnormal and Social Psychology*, 41, 258–290.
- Baron, R. A. (1990). Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology*, 20(5), 368–384.
- Barry, B., & Oliver, R. L. (1996). Affect in dyadic negotiation: A model and propositions. *Organizational Behavior and Human Decision Processes*, 67(2), 127–143.
- Baumeister, R., Leith, K. P., Muraven, M., Bratslavsky, E. (1998). Self-regulation as a key to success in life. In W. M. Bukoski (Ed.), *Improving confidence across the lifespan: Building interventions based on theory and research* (pp. 117–132). New York: Plenum Press.
- Bazerman, M. H., Mannix, E., & Thompson, L. (1988). Groups as mixed-motive negotiations. In E. J. Lawler & B. Markovsky (Eds.), *Advances in group processes: Theory and research*. Greenwich, CT: JAI Press.
- Bazerman, M. H., & Neale, M. A. (1982). Improving negotiation effectiveness under final offer arbitration: The role of selection and training. *Journal of Applied Psychology*, 67(5), 543–548.
- Bazerman, M. H., & Neale, M. A. (1983). Heuristics in negotiation: Limitations to effective dispute resolution. In M. H. Bazerman & R. J. Lewicki (Eds.), *Negotiating in organizations* (pp. 51–67). Beverly Hills, CA: Sage.
- Brickman, P., Coates, D., & Janoff-Bulman, R. (1978). Lottery winners and accident victims: Is happiness relative? *Journal of Personality and Social Psychology*, 36, 917–927.

- Bohner, G., Crow, K., Erb, H. P., & Schwarz, N. (1992). Affect and persuasion: Mood effects on the processing of message content and context cues and on subsequent behavior. *European Journal of Social Psychology*, 22(6), 511-530.
- Cann, A., Sherman, S. J., & Elkes, R. (1975). Effects of initial request size and timing of a second request on compliance: The foot in the door and the door in the face. *Journal of Personality and Social Psychology*, 32(5), 774-782.
- Carnevale, P. J., & Isen, A. (1986). The influence of positive affect and visual access on the discovery of integrative solutions in bilateral negotiations. *Organizational Behavior and Human Decision Processes*, 37, 1-13.
- Cialdini, R. B. (1975). Reciprocal concessions procedure for inducing compliance: The door-in-the-face technique. *Journal of Personality and Social Psychology*, 31(2), 206-215.
- Cialdini, R. B. (1993). *Influence: Science and practice*. New York: Harper Collins.
- Deutsch, M. (1973). *The resolution of conflict*. New Haven, CT: Yale University Press.
- Drolet, A., & Morris, M. W. (1998). *Rapport in conflict resolution: Accounting for how nonverbal exchange fosters coordination on mutually beneficial settlements to mixed motive conflicts*. Unpublished manuscript.
- Dunning, D., Griffin, D. W., Milojkovic, J. D., & Ross, L. (1990). The overconfidence effect in social prediction. *Journal of Personality and Social Psychology*, 58, 568-581.
- Ekman, P. (1985). *Telling lies: Clues to deceit in the marketplace, marriage, and politics*. New York: W. W. Norton.
- Forgas, J. P. (1995). Mood and judgment: The affect infusion model (AIM). *Psychological Bulletin*, 117(1), 39-66.
- Forgas, J. P. (1998). On feeling good and getting your way: Mood effects on negotiator cognition and bargaining strategies. *Journal of Personality and Social Psychology*, 74, 565-577.
- Forgas, J. P., & Moylan, S. J. (1996). *On feeling good and getting your way: Mood effects on expected and actual negotiation strategies and outcomes*. Unpublished manuscript.
- Frank, R. H. (1988). *Passions within reason: The strategic role of the emotions*. New York: W. W. Norton.
- Frederick, S., & Loewenstein, G. (1998). Hedonic adaptation. In E. Diener, N. Schwartz, & D. Kahneman (Eds.), *Hedonic psychology: Scientific approaches to enjoyment, suffering, and well-being*. New York: Russell Sage Foundation.
- Fredrickson, B. L. (1991). Anticipated endings: An explanation for selective social interaction (Doctoral dissertation, Stanford University, 1990). *Dissertation Abstracts International*, 3, AAD91-00818.
- Fredrickson, B. L., & Kahneman, D. (1993). Duration neglect in retrospective evaluations of affective episodes. *Journal of Personality and Social Psychology*, 65, 45-55.
- Gentner, D., & Gentner, D. R. (1983). Flowing waters or teeming crowds: Mental models of electricity. In D. Gentner & A. Stevens (Eds.), *Mental models*. Hillsdale, NY: Erlbaum.
- Gilbert, D. T., Wilson, T. D., Pinel, E. C., & Blumberg, S. J. (1998). Affective forecasting and durability bias: The problem of the invisible shield. *Journal of Personality and Social Psychology*, 75(3), 617-638.
- Gilovich, T., Savitsky, K., & Medvec, V. H. (1998). The illusion of transparency: Biased assessments of others' ability to read our emotional states. *Journal of Personality and Social Psychology*, 75(2), 332-346.
- Griffin, D., Dunning, D., & Ross, L. (1990). The role of construal processes in overconfident predictions about the self and others. *Journal of Personality and Social Psychology*, 59, 1128-1139.
- Hatfield, E., Cacioppo, J. T., & Rapson, R. L. (1992). Primitive emotional contagion. In M. S. Clark (Ed.), *Emotion and social behavior: Review of personality and social psychology* (Vol. 14, pp. 151-177). Newbury Park, CA: Sage.
- Heider, F. (1958). *The psychology of interpersonal relations*. New York: Wiley.
- Isen, A. M. (1987). Positive affect, cognitive processes, and social behavior. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 20, pp. 203-253). New York: Academic Press.
- Isen, A. M., Daubman, K. A., & Nowicki, G. P. (1987). Positive affect facilitates creative problem solving. *Journal of Personality and Social Psychology*, 52, 1122-1131.
- Isen, A. M., Niedenthal, P. M., & Cantor, N. (1992). An influence of positive affect on social categorization. *Motivation and Emotion*, 16(1), 65-78.
- Janis, I. L., & Mann, L. (1977). *Decision making*. New York: Free Press.
- Johnson-Laird, P. N. (1983). *Mental models*. Cambridge, MA: Harvard University Press.
- Kahn, R. L., & Kramer, R. M. (1990). *Untying the knot: De-escalatory processes in international conflict*. San Francisco, CA: Jossey-Bass.
- Kahneman, D., Fredrickson, B. L., Schreiber, C. A., & Redelmeier, D. A. (1993). When more pain is preferred to less: Adding a better end. *Psychological Science*, 4, 401-405.
- Kelley, H. (1979). *Personal relationships*. Hillsdale, NJ: Erlbaum.
- Kelly, J. R. (1988). Entrainment in individual and group behavior. In J. McGrath (Ed.), *The social psychology of time: New perspectives* (Vol. 91, pp. 89-110). Newbury Park, CA: Sage.
- Keltner, D. (1994). *Emotion, nonverbal behavior and social conflict*. Paper presented to the Harvard Project on Negotiation, May, 1994.
- Keltner, D., & Robinson, R. J. (1993). Imagined ideological differences in conflict escalation and resolution. *International Journal of Conflict Management*, 4, 249-262.
- Kennedy, G., Benson, J., & McMillan, J. (1980). *Managing negotiations*. Englewood Cliffs, NJ: Prentice-Hall.
- Kramer, R., Pommerenke, P., & Newton, E. (1993). The social context of negotiation: Effects of social identity and accountability on negotiator judgment and decision making. *Journal of Conflict Resolution*, 37, 633-654.
- Kulik, J. A., Sledge, P., & Mahler, H. I. (1986). Self-confirmatory attribution, egocentrism, and the perpetuation of self-beliefs. *Journal of Personality and Social Psychology*, 50, 587-594.
- Kumar, R. (1997). The role of affect in negotiations: An integrative overview. *Journal of Applied Behavioral Science*, 33(1), 84-100.
- Lax, D. A., & Sebenius, J. K. (1986). *The manager as negotiator*. New York: Free Press.
- Loewenstein, G., & Schkade, D. (1997). Wouldn't it be nice? Predicting future feelings. In E. Diener, N. Schwartz, & D. Kahneman (Eds.), *Hedonic psychology: Scientific approaches to enjoyment, suffering, and well-being*. New York: Russell Sage Foundation.
- Mitchell, T. R., Thompson, L., Peterson, E., & Cronk, R. (1997). Temporal adjustments in the evaluation of events: The "rosy view." *Journal of Experimental Social Psychology*, 33, 421-448.
- Moore, D. A., Kurtzberg, T. R., Thompson, L., & Morris, M. W. (1998). *Long and short routes to success in electronically mediated negotiations: Group affiliations and good vibrations*. Working paper.
- Nash, J. (1950). The bargaining problem. *Econometrica*, 18, 155-162.
- Neale, M. A., & Bazerman, M. H. (1991). *Cognition and rationality in negotiation*. New York: Free Press.
- Newcomb, T. M. (1961). *The acquaintance process*. New York: Holt, Rinehart, & Winston.
- Nierenberg, G. I. (1968). *The art of negotiating*. New York: Barnes & Noble Books.
- Nisbett, R. E., & Ross, L. (1980). *Human inference: Strategies and shortcomings of social judgement*. Englewood Cliffs, NJ: Prentice-Hall.
- O'Quin, K., & Aronoff, J. (1981). Humor as a technique of social influence. *Social Psychology Quarterly*, 44(4), 349-357.
- Osberg, T. M., & Shrauger, J. S. (1986). Self-prediction: Exploring the parameters of accuracy. *Journal of Personality and Social Psychology*, 51, 1044-1057.

- Ottati, V., Terkildsen, N., & Hubbard, C. (1997). Happy faces elicit heuristic processing in a televised impression formation task: A cognitive tuning account. *Personality and Social Psychology Bulletin*, 23(11), 1144-1156.
- Raiffa, H. (1982). *The art and science of negotiation*. Cambridge, MA: Harvard University Press.
- Raven, B. H. (1990). Political applications of the psychology of interpersonal influence and social power. *Political Psychology*, 11(3), 493-520.
- Redelmeier, D. A., & Kahneman, D. (1996). Patients' memories of painful medical treatments: Real-time and retrospective evaluations of two minimally invasive procedures. *Pain*, 66(1), 3-8.
- Ross, L. (1977). The intuitive psychologist and his shortcomings: Distortions in the attribution process. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 10, pp. 173-200). New York: Academic Press.
- Rothbart, M., & Hallmark, W. (1988). Ingroup-outgroup differences in the perceived efficacy of coercion and conciliation in resolving social conflict. *Journal of Personality and Social Psychology*, 55, 248-257.
- Rouse, W., & Morris, N. (1986). On looking into the black box: Prospects and limits in the search for mental models. *Psychological Bulletin*, 100, 359-363.
- Schelling, T. (1960). *The strategy of conflict*. Cambridge, MA: Harvard University Press.
- Schwarz, N., & Bless, H. (1991). Happy and mindless, but sad and smart? The impact of affective states on analytic reasoning. In J. P. Forgas (Ed.), *Emotion and social judgments*. *International Series in Experimental and Social Psychology* (pp. 55-71). Oxford, UK: Pergamon Press.
- Singelis, T. M. (1998). *Teaching about culture, ethnicity, and diversity: Exercises and planned activities*. Thousand Oaks, CA: Sage.
- Siegel, S., & Fouraker, L. E. (1960). *Bargaining and group decision making*. New York: McGraw-Hill.
- Skinner, B. F. (1938). *The behavior of organisms*. New York: Appleton, Century-Crofts.
- Suh, E., Diener, E., & Fujita, E. (1996). Events and subjective well-being: Only recent events matter. *Journal of Personality and Social Psychology*, 70, 1091-1102.
- Susskind, L., & Cruikshank, J. (1987). *Breaking the impasse: Consensual approaches to resolving public disputes*. New York: Basic Books.
- Swann, W. B., Pehlam, B. W., & Roberts, D. C. (1987). Causal chunking: Memory inference in ongoing interaction. *Journal of Personality and Social Psychology*, 53(5), 858-865.
- Thompson, L. (1995). The impact of minimum goals and aspirations on judgments of success in negotiations. *Group Decision Making and Negotiation*, 4, 513-524.
- Thompson, L. (1998). *The mind and heart of the negotiator*. Upper Saddle River, NJ: Prentice-Hall.
- Thompson, L., & Hastie, R. (1990). Social perception in negotiation. *Organizational Behavior and Human Decision Processes*, 47(1), 98-123.
- Thompson, L., & Kim, P. (in press). How the quality of third parties' settlement solutions are affected by the relationship between negotiators. *Journal of Experimental Psychology: Applied*.
- Thompson, L., Nadler, J., & Kim, P. (1999). Some like it hot: The case for the emotional negotiator. In L. Thompson, J. Levine, & D. Messick (Eds.), *Shared cognition in organizations: The management of knowledge* (pp. 139-161). Mahwah, NJ: Erlbaum.
- Thompson, L., Valley, K. L., & Kramer, R. M. (1995). The bittersweet feeling of success: An examination of social perception in negotiation. *Journal of Experimental and Social Psychology*, 31(6), 467-492.
- Ury, W. L., Brett, J. M., & Goldberg, S. B. (1988). *Getting disputes resolved: Designing systems to cut the costs of conflict*. San Francisco, CA: Jossey-Bass.
- Vallone, R., Griffin, D., Lin, S., & Ross, L. (1990). The overconfident prediction of future actions and outcomes by self and others. *Journal of Personality and Social Psychology*, 58, 582-592.
- Van Boven, L., & Thompson, L. (2000). *A look into the mind of the negotiator*. Paper presented at the Academy of Management meetings, Cincinnati, Ohio.
- Varey, C., & Kahneman, D. (1992). Experiences extended across time: Evaluations of moments and episodes. *Journal of Behavioral Decision Making*, 5, 169-195.
- Walton, R. E., & McKersie, R. B. (1965). *A behavioral theory of labor relations*. New York: McGraw-Hill.
- Wegner, D. M., & Wenzlaff, R. M. (1996). Mental control. In E. T. Higgins & A. W. Kruglanski (Eds.), *Social psychology: Handbook of basic principles*. New York: Guilford Press.
- Whorf, B. L. (1956). Science and linguistics. In J. B. Carroll (Ed.), *Language, thought, and reality. Selected writings of Benjamin Whorf*. New York: Wiley.
- Wilson, T. D. (1985). Strangers to ourselves: The origins and accuracy of beliefs about one's own mental states. In J. H. Harvey & G. Weary (Eds.), *Attribution: Basic issues and applications* (pp. 9-36). Orlando, FL: Academic Press.
- Wilson, T. D., & Dunn, D. S. (1986). Effects of introspection on attitude-behavior consistency: Analyzing reasons versus focusing on feelings. *Journal of Personality and Social Psychology*, 22, 249-263.
- Wilson, T. D., Dunn, D. S., Kraft, D., & Lisle, D. J. (1989). Introspection, attitude change, and attitude-behavior consistency: The disruptive effects of explaining why we feel the way we do. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 19, pp. 123-205). San Diego, CA: Academic Press.
- Wilson, T. D., & LaFleur, S. J. (1995). Knowing what you'll do: Effects of analyzing reasons on self-prediction. *Journal of Personality and Social Psychology*, 68, 21-35.
- Wilson, T. D., Lisle, D. J., Schooler, J., Hodges, S. D., Klaaren, K. J., & LaFleur, S. J. (1993). Introspecting about reasons can reduce post-choice satisfaction. *Personality and Social Psychology Bulletin*, 19, 331-339.
- Wilson, T. D., Hodges, S. D., & LaFleur, S. J. (1995). Effects of introspecting about reasons: Inferring attitudes from accessible thoughts. *Journal of Personality and Social Psychology*, 69, 16-28.
- Wilson, T. D., & Schooler, J. (1991). Thinking too much: Introspection can reduce the quality of preferences and decisions. *Journal of Personality and Social Psychology*, 60, 181-192.
- Wortman, C. B., & Silver, R. C. (1989). The myths of coping with loss. *Journal of Consulting and Clinical Psychology*, 57, 349-357.
- Yukl, G. (1974). Effects of the opponent's initial offer, concession magnitude and concession frequency on bargaining behavior. *Journal of Personality and Social Psychology*, 30(3), 323-335.