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# *Mental Models of Negotiation: Descriptive, Prescriptive, and Paradigmatic Implications*

LEIGH THOMPSON and  
JEFFREY LOEWENSTEIN

Negotiation is a form of social interaction in which people who perceive themselves to have conflicting interests form agreements concerning the allocation of scarce resources. Negotiation holds the distinction of being the most written-about topic, with the exception of God, love, and the inner struggle (Luce and Raiffa, 1957). In part, this may be because almost everyone needs to negotiate. Given the breath of interest and range of applicability, it is natural that negotiation is a multidisciplinary area of study. One outcome of this diversity of thought is that negotiations can be understood from many different perspectives, five of which we will outline in this chapter. Another reason why negotiation is a popular topic is because people frequently fail to negotiate effectively (for reviews, see Neale and Bazerman, 1991; Thompson, 2001; Thompson and Nadler, 2002). Specifically, negotiators often leave money on the table and frequently settle for less than they otherwise could obtain; conversely, they often walk away from settlements that are far better than they could obtain elsewhere.

In this chapter, we review the five most common theoretical approaches to negotiation and their respective answers to the question of why people are ineffective negotiators. Theoretical approaches provide mental models of negotiation that serve descriptive, prescriptive, and paradigmatic purposes. From a descriptive standpoint, mental models characterize how people perceive negotiation situations, what they understand to be the primary

factors in a negotiation, and (accordingly) how they try to reach agreements. From a prescriptive standpoint, mental models shape the nature of advice and strategies offered to negotiators. From a paradigmatic standpoint, these mental models influence the nature of experimental research and theoretical development that guides the interdisciplinary study of negotiation.

## MENTAL MODELS

A mental model is a cognitive representation of an external system that specifies the cause-effect relationships governing the system (Gentner and Stevens, 1983). Understanding people's mental models is useful for predicting their behavior. As a case in point, a large body of research in cognitive and developmental psychology has examined people's mental models of various physical systems. For example, Kempton (1986) examined people's mental models of thermostats. At least in 1986, most thermostats worked like a switch (turning a furnace on or off), not like a valve (regulating the amount of production from a furnace). However, Kempton found that as many as one out of every two people assumed that their thermostats worked like valves. Due to the many factors that go into the perceived temperature in one's home, a

simple switch model and a simple valve model both lead to some correct and some incorrect predictions (although the valve model is less efficient because it requires more frequent adjustments). Further research has examined people's mental models for social systems, such as groups, teams, and even marriage (Quinn, 1987). The key insight is that people's behaviors can sometimes be understood in light of their explanatory model of a system.

Research in negotiation has suggested five mental models that capture overlapping aspects of bargaining situations. For the moment, we will set aside the question of whether the mental models of negotiation we identify actually exist as cognitive structures in people's heads (cf. Klimoski and Mohammed, 1994; Rips, 1986; Rouse and Morris, 1986). Our primary focus is on providing a descriptive view of the negotiator, prescriptive treatments of negotiation, and paradigmatic approaches used in this scholarly field of inquiry. We argue that these mental models have been primary drivers of the prescriptive advice offered by theoreticians, as well as practitioners, for addressing shortcomings in negotiations. Indeed, there is a multimillion-dollar industry devoted to the development of successful negotiation strategies. In addition to their having an influence on what might traditionally be called descriptive, as well as prescriptive, research, we also argue that mental models have implications for the conduct of scientific research. That is, researchers' mental models of negotiation influence the research questions, measures, tasks, and treatment manipulations used in scientific investigations. In the next five sections, we examine what we regard to be the most common mental models of negotiation. Table 23.1 summarizes these mental models with their key assumptions, variables, and empirical focus.

#### NEGOTIATION AS POWER AND PERSUASION

Probably the most common mental model of negotiation, at least by lay standards, views negotiation as a contest of strength and power. This mental model of negotiation focuses on persuasive tactics and power plays. It is primarily focused on the *distributive* or competitive aspect of negotiation (that is, the allocation of resources) and the factors that lead to a competitive advantage. Negotiation is viewed as a battle of wills, with each party attempting to force the other to submit.

#### Social psychological bases of power

Power is the capacity to influence other people (French and Raven, 1959). Several typologies of

power have been offered, but two have been particularly influential within the study of negotiation. The first is French and Raven's (1959; Raven, 1965) analysis of reward, coercive, legitimate, referent, expert, and informational power (see Collins and Raven, 1969). The second is Cialdini's analysis of the six weapons of influence: reciprocity, scarcity, liking, social proof, authority, and commitment.

Although both of these typologies were developed to explain influence in everyday social situations, they apply to negotiation situations as well. French and Raven's bases of power were used to predict different kinds of behavior on the part of the target. Reward and coercive power were predicted to lead to dependent behavior; that is, their effectiveness depends on the presence of the powerful actor. The other three types were less dependent upon the actor being present. The various bases of power were not presumed to be independent, because a given person's power may have more than one basis. For example, a negotiator may believe that it is appropriate that a senior vice-president should have power over him or her (legitimate and expert power). The exercise of one type of power may also increase or decrease the basis of another type of power. For example, if one negotiator exercises reward power over the other party, it may be expected that the other party's liking for the negotiator will increase and thus increase attraction (or reward) power. French's theory contains several postulates and theorems, and the key theoretical statement may be summarized as 'the power of A over B is equal to the maximum force which A can induce on B minus the maximum resisting force which B can mobilize in the opposite direction' (French, 1956: 183).

Cialdini's (1993) approach is decidedly more prescriptive than is Raven's largely descriptive approach to power. Cialdini captured six key principles of social psychological behavior that led people to display increased compliance and thus identified six 'weapons of influence'. According to Cialdini, the six weapons include reciprocity (the psychological obligation to return a favor), scarcity (the implied value of rare resources), liking (willingness to act favorably to friends), social proof (everyone else is doing it, why shouldn't you?), authority (they must know better than I), and commitment (tendency to make attitudes and behaviors consistent). In Cialdini's popular book, *Influence: Science and Practice* (1993), he systematically reviews how negotiators, as well as salespeople, selectively use the six weapons of influence to gain compliance by the target person. Cialdini provides several accounts of how salespeople, such as used-car salesmen, use social psychological principles of influence against unsuspecting victims. Thus, the negotiation advice offered by Cialdini is a mixture of 'beware' and 'use at your own risk'.

Table 23.1 *Five mental models in negotiation*

	Power and persuasion	Decision making	Strategic game	Relationship	Joint problem solving
Descriptive focus: perception of situation	Battle of wills, who can force the other to submit to their terms/position	Making (flawed) rational choices	Rational moves in a strategic game, plus fairness (or social utility)	Building and maintaining a relationship with another person	Problem created and to be solved by the parties
Descriptive focus: key causal factors influencing behavior and outcomes	Influence and persuasion tactics; basis of power; bargaining zone	Individual cognitive biases	Incomplete vs. complete interaction; expected future vs. no future interaction; repeated vs. one-shot trials	Type, length, and quality of relationship; expected future interaction; basis of trust; social networks; communication medium	Problem representation, shared understanding
Descriptive focus: key behavioral measure(s)	Influencing the other party to accept terms close to your aspiration and near their reservation price	Making decisions according to your assumptions and risk tolerance	Maximizing outcomes and fairness	Determining and enacting the appropriate 'script' for the interaction	Meeting as many underlying interests (which define the problem) as possible
Prescriptive focus: key advice offered to negotiators	Be strong so you get as much value as you possibly can for yourself	Correct your irrational biases and you will make better decisions	Maximize self-interest; assume the opponent is highly rational and self-interested	Build rapport and trust	Ascertain interests so you can solve the real problem
Prescriptive focus: suggested strategies	Open high; increase your BATNA, decrease theirs	Reanchor, reframe, consider both people's perspective, limit unwarranted assumptions	Perspective taking; backward induction	Enrich the communication medium; instigate entrainment of verbal and nonverbal behaviors	Ask questions, build trust, multiple simultaneous offers, postsettlement settlement?
Paradigmatic focus: interesting theoretical questions	Using direct and indirect routes of persuasion	New biases; group-level deviations from rationality; functional implications of biases	Multiple utility functions – points, social relationship, etc. (taboo trade-offs)	Nature of trust; social networks	Assessing initial problem representations; fostering shared understanding

BATNA: *Best Alternative To a Negotiated Agreement*.

Whereas French and Raven's model of power and Cialdini's weapons of influence were embraced by the negotiation community, these approaches were not focused on negotiation situations *per se*. Research on power and persuasion in negotiation has focused on specific structures present in negotiation situations.

### Resistance point

In the 1960s, Walton and McKersie identified 'resistance points' as the key basis of power in distributive negotiations. According to Walton and McKersie, a *resistance point* identifies a psychologically determined point that a negotiator will not

or cannot move beyond. For example, consider a classic union and management negotiation. Imagine that the current wage offered by the management to the union is \$8 per hour. Furthermore, imagine that union representatives have indicated that the industry standard is \$8.25 per hour. The union representatives in this situation might determine that any offer less than \$8.25 per hour will mean an inevitable strike on their part. Meanwhile, management has a resistance point as well, meaning that they might be prepared to pay as much as \$8.50 per hour. Of course, it is to negotiators' great advantage not to reveal their own resistance point, but to induce their opponents to reveal theirs. Walton and McKersie's identification of negotiators' resistance points was an important theoretical step in specifying the concept of a bargaining zone. The bargaining zone is the overlap, either positive or negative, between negotiators' resistance points. Walton and McKersie argued that the appropriate identification of the other party's resistance point was a determinant of which negotiator would prevail in a bargaining-negotiation situation. The negotiator who had a more attractive resistance point was in a more powerful position to extract resources. Similarly, negotiators who could accurately assess the resistance point of the other party were in a more powerful position, because they could simply offer the other party just enough to meet their resistance point and keep the rest – the surplus – for themselves. Walton and McKersie (1965) view power as the ability to manipulate an opponent's resistance point. This is achievable, according to Walton and McKersie, through 'attitudinal restructuring', which involves techniques derived from balance theory (Heider, 1958) and reinforcement theory (Skinner, 1953).

### Comparison level

At approximately the same time that industrial organizational scholars, such as Walton and McKersie, were developing their notion of resistance points, social psychologists interested in exchange relationships between parties were developing a similar principle, albeit more psychological in nature. According to Thibaut and Kelley (1959), a person in an exchange relationship is influenced by two important concepts: her comparison level and her comparison level for alternatives (*CLalt*). Thibaut and Kelley defined comparison level to reflect the standards and norms that a person had set for himself and had grown accustomed to. Thibaut and Kelley argued, and later research supported the prediction, that comparison levels influenced satisfaction in a relationship. More relevant to the principle of power in negotiation is Thibaut and Kelley's concept of comparison level for alternatives, which they defined as the options available to

parties outside the current relationship. According to Thibaut and Kelley, commitment to the current relationship was determined by the attractiveness of a person's comparison level for alternatives. Indeed, several research studies, mostly involving dating couples, supported the hypothesis about commitment and comparison level for alternatives (Attridge et al., 1995; Rusbult, 1983).

### Reservation price

Raiffa (1982), of the Harvard Project on Negotiation, coined the term 'reservation price' to reflect the point at which negotiators are indifferent to reaching settlement or are walking away from the table. According to Raiffa, a reservation price (sometimes called a reservation point, or 'RP') is the maximum price a buyer would be willing to offer a seller before he would break off negotiations, not temporarily for strategic purposes, but permanently. Unlike Kelley's comparison level for alternatives, which spawned several empirical research investigations, Raiffa's concept was treated more as a prescriptive truism: an attractive reservation point increases a negotiator's power, in terms of gaining a distributive advantage.

### BATNA principle

Whereas resistance points, comparison level for alternatives, and reservation points provided an elegant foundation for the analysis of power in any negotiation relationships, it was not until 1981, when Fisher and Ury coined the term 'BATNA' (referring to one's *Best Alternative To a Negotiated Agreement*), that the concept became a cornerstone of management training. According to Fisher and Ury, a negotiator's most effective source of power in any negotiation situation is his or her BATNA. Indeed, research evidence indicates that people with superior BATNAs gain a larger share of the negotiation surplus than those with weaker BATNAs (Pinkley et al., 1994).

However, people are not always rational with regard to the BATNA principle. Simply stated, people often reject outcomes that are better than their BATNA; and they accept deals that are worse than their BATNA. According to Kelley (Kelley and Thibaut, 1978), negotiators psychologically transform their BATNA based on their relationship with the other party.

### Target points and aspirations

According to a strict interpretation of rational negotiation theory, a negotiator's BATNA (or *CLalt* or

resistance point) uniquely predicts bargaining power. However, social psychologists were not content with this purely rational analysis of power. Inspired by goal-setting theory in industrial organization as well as Bandura's (1977) self-efficacy theory, organizational scholars and social psychologists converged on a prediction that, in addition to the strength of one's BATNA as a source of distributive power in negotiation, a negotiator's target point, aspiration, or goal would also affect his or her ultimate success in garnering resources. In contrast to a BATNA or a resistance point, a *target point* defines a negotiator's most desired outcome.

Research in the negotiation literature attests to the power of setting high and specific goals. For example, Huber and Neale (1986, 1987) found that negotiators who were given challenging goals obtained a larger share of the value in a negotiation than those given an easy goal. Furthermore, goal specificity also affects performance, such that specific target goals are more effective than 'do your best' goals (Huber and Neale, 1987). Thompson (1995) manipulated negotiators' reservation points as well as their target points and found that negotiators who had higher target points (independent of their reservation point) enjoyed a bargaining advantage. When negotiators focus on their target point during negotiation, this increases the value of their outcomes (Galinsky et al., 1999).

BATNAs and target points affect social perception in negotiation contexts. For example, people who have attractive BATNAs are perceived as more arrogant by their negotiation opponents (Morris et al., 1999). Attractive BATNAs decrease the size of the bargaining zone and thus make it more difficult to reach agreement. When negotiators are dealing with a small bargaining zone, they are more likely to make a negative, dispositional attribution about the other party (Morris et al., 1999). Thus, people do not say to themselves, 'The reason we are having a hard time reaching agreement is because the bargaining zone is small', but, rather, 'The reason we are having a hard time reaching agreement is because the other party is being uncooperative and unpleasant.'

### Summary

The primary factors in a negotiation, according to the power-based model, are influence and persuasion tactics, and the alternatives that shape the bargaining zone. Power and persuasion are psychological tools, in the spirit of French and Raven (1959) and Cialdini (1993), in which negotiators attempt to convince their opponents to submit to their desires. One's alternatives and target points form a second basis of power, namely, the ability to shift discussion to a more favorable portion of the

bargaining zone, or shift the zone altogether (Fisher and Ury, 1981; Kelley, 1966; Walton and McKersie, 1965). Accordingly, the power-based model offers advice to negotiators to be strong and to claim as much value as possible for themselves. One should attempt to increase one's BATNA prior to the negotiation, and, if possible, attempt to devalue the other party's BATNA (Walton and McKersie, 1965). Given that opening offers shape the bargaining zone, negotiators should open aggressively.

The interesting theoretical questions that follow from this model are focused on understanding the direct and indirect routes by which one can influence and persuade other parties (Eagly and Chaiken, 1998). Direct routes to persuasion are ones that should be consciously processed by the other party, such as providing and asking for detailed information, or stating high demands. Indirect routes are not expected to be consciously processed by the other party but might influence their decisions anyway, such as the norm of reciprocity, liking, or positive mood. More recent cross-cultural work has also demonstrated important roles for relationships and status as sources of power, particularly in some Far Eastern cultures (Brett, 2001).

### NEGOTIATION AS SOCIAL DECISION MAKING

In the 1980s, beginning with the work of Bazerman and Neale (e.g., 1983, 1991), the conceptualization of negotiation changed from the metaphor of power and persuasion to the metaphor of negotiator as decision maker. The birth of this metaphor paralleled the changing metaphors in social psychology; namely, the fall of the 'naive scientist' and the rise of the 'cognitive miser' (Fiske and Taylor, 1991). Extending the work of Kahneman and Tversky (1973; Tversky and Kahneman, 1974), Bazerman and Neale identified the decision tasks and biases that affect the quality of negotiated decisions. The image of the 'flawed and faulty' decision maker characterized the literature. The conclusion of this body of research was that negotiators are victims of their own cognitive shortcomings, resulting in sub-optimal performance at the bargaining table. The key dependent variable of negotiation changed from *distribution* of resources (that is, how the resources are allocated among parties) to *creation* of resources (that is, whether the pie of resources is expanded). Thus, the focus moved from distributive bargaining to integrative bargaining. The six most commonly discussed biases identified by Neale and Bazerman (1991) include the fixed-pie perception, anchoring and adjustment, framing, overconfidence, failure to take the perspective of others, and escalation of commitment.

### Fixed-pie perception

A pervasive belief that negatively affects the quality of negotiated settlements is the *fixed-pie perception* (Bazerman and Neale, 1983; Thompson and Hastie, 1990). Negotiators who have a fixed-pie perception erroneously believe that there is a fixed amount of resources for which the negotiators must compete. A closely related idea is the concept of zero-sum games. A fixed-sum, or zero-sum perception is usually incorrect because negotiators' interests are often not diametrically opposed, but are only partially opposed. For this reason, it is possible to find some settlements that are better for both parties than others. This is what is meant by 'win-win negotiation'. Investigations of the fixed-pie perception have revealed that a large percentage of negotiators believe that their interests are completely opposed to the other party's; not surprisingly, these people tend to perform poorly in negotiations (Thompson and Hastie, 1990; Thompson and Hrebec, 1996).

Perhaps the most dramatic illustration of the fixed-pie perception is the incompatibility bias, which leads to a lose-lose outcome (Thompson, 1990). In this situation, two parties have completely compatible preferences for at least some of the issues under discussion, but they fail to realize it. The result is that people sometimes settle for an agreement that neither party prefers, resulting in a lose-lose outcome (Thompson and Hrebec, 1996).

### Anchoring and adjustment

A second difficulty in negotiation results from biases due to estimation of key values. The problem is not that people use estimates or initial starting points, but rather, that they fail to adjust for them. Arbitrary reference points have been shown to bias value estimates on a variety of issues, even for professionals (Joyce and Biddle, 1981; Slovic and Lichtenstein, 1971; Tversky and Kahneman, 1974). For example, via regression analysis, Northcraft and Neale (1987) found that real-estate agents' appraisal values were affected by the list price of the home, despite agents' claims to the contrary. Several claims have been made with respect to how anchors can interfere in negotiations. Neale and Bazerman (1991) argue that people can anchor on their target figures, thereby leading to an impasse despite the availability of an offer better than their reservation price. Perhaps the most common anchor in negotiation is the opening offer. First offers can serve as anchors, skewing a negotiation in favor of the person generating the offer (Galinsky and Mussweiler, 2000). This may explain why a tough-to-soft bargaining strategy is more effective than a soft-to-tough bargaining strategy (Chertkoff and Conley, 1967; Hilty and Carnevale, 1993).

### Framing

There is more written about framing than any other bias in the negotiation literature (for reviews, see Bottom and Studt, 1993; Thompson, 2001). Framing involves the manipulation of a negotiator's reference point that defines gains and losses. Tversky and Kahneman (1981) demonstrated that people are risk-averse for gains and risk-seeking for losses. That is, people will take a sure gain rather than a chance at a large gain, but will chance a large loss to avoid taking a sure loss. Negotiators show the same tendency. People make more concessions and reach agreement more often when they feel they are negotiating over gains than over losses (Bazerman et al., 1985; Neale and Bazerman, 1983; Neale and Northcraft, 1986). The framing effect in the domain of losses can result from the failure to accept sunk costs (nonrecoverable losses; Thaler, 1980). For example, Staw (1976) found that people were more likely to make an additional investment if they, rather than another person, had made the original investment. Those who felt responsible for the original investment probably perceived their choice as taking a risky alternative rather than accepting a sure loss. Finally, framing effects can result from an anchor – not only might an anchor shift a perceived bargaining zone, but it may also change a party's frame of the situation.

### Overconfidence

Despite the prevalence of decision-making biases, people are extraordinarily confident in their judgments. As a result, people often overestimate their abilities, such as claiming they will solve 75 percent of certain challenging problems but in fact are correct on only 60 percent of such problems (Fischhoff et al., 1977). This overconfidence may be particularly strong among novices, on challenging problems, and with more subjective responses (Klayman et al., 1999; Kruger and Dunning, 1999; Pulford and Colman, 1997; Van Boven et al., 2000). With respect to negotiation, overconfidence can be found in people's estimates that a neutral third party will decide in their favor. Both parties tend to feel that a mediator or arbitrator should side with them more often than the other side – a clearly impossible situation (Bazerman and Neale, 1982; Farber, 1981; Farber and Bazerman, 1986, 1989; Neale and Bazerman, 1983). This overconfidence does not mean that people necessarily feel third parties are sympathetic – it can result in parties feeling unfairly treated. Morris and Su (1995) demonstrated that although both parties feel mediators are likely to take their view, they also feel that mediators spend more time talking and listening to the other party and more actively explore the concerns of the other party.



### Failure to take the perspective of others

Given negotiators' overconfidence, it may not be surprising that people often fail to take the perspective of others. For example, Bazerman and colleagues (Bazerman and Carroll, 1987; Carroll et al., 1988; Samuelson and Bazerman, 1985) challenged people to suggest a bid to purchase a company whose value was unknown to them but known to the seller. Less than 10 percent of respondents gave the normatively correct answer of bidding \$0 for the company. Rather, most people made substantial bids for the company despite a negative expected return, thereby falling prey to the *winner's curse*. The winner's curse results from a negotiators paying too much (or selling for too little) precisely when the item is of least value. The claim is that people make poor decisions such as these because they simplify decision-making situations by ignoring the possible actions that others might take in response to their decision.

### Escalation of commitment

Perhaps the most dramatic failure of rationality is the escalation of commitment (Ross and Staw, 1993). People sometimes irrationally stick to a course of action, ignoring sunk costs: for example, continuing to gamble after heavy losses or continuing to pour money into an old car that nonetheless breaks down. Neale and Bazerman (1991) describe several real-world examples of irrational escalation of commitment, including the battle between Maxwell House and Folgers to dominate the US coffee market, the 'cola wars' between Coca-Cola and Pepsi, and the 'camera wars' between Polaroid and Kodak. Part of the reason people may escalate their commitment to a course of action is to maintain consistency with their previous decisions (Ross and Staw, 1993). A second reason that escalation may occur is that people enter into a course of action without realizing the potential extent of damage (Teger, 1980). Bazerman (1990) adds that escalation of commitment may also continue because people tend to seek confirming evidence for decisions they have made. Finally, sunk costs and framing effects can combine, as described earlier, and the result can be to reinforce people's commitment to a risky course of action rather than accept a sure loss (Neale and Bazerman, 1991; Ocasio, 1995).

### Summary

People are not perfectly rational decision makers – they have biases that necessarily have implications for their ability to negotiate. The advice to the negotiator from the perspective of this model is to rectify

one's irrational biases so that one will make better decisions, resulting in better-negotiated agreements. For example, if you have been anchored (as by an offer from the other party), be sure to reanchor (with an offer strongly in your favor).

The biases just discussed are largely ones that emerged from the rapidly growing decision-making literature. Current research both expands and deepens our understanding of biases. In recent years, the list of biases has been extended to include motivational biases, such as egocentrism (cf. Bazerman et al., 2000). Apart from outlining new biases, research is also being directed at explaining why we might have such biases. For example, there may be functional implications of the biases, such as improving people's subjective well-being (Taylor and Brown, 1988).

One result of the biases emerging from the decision-making literature is that they are largely cognitive phenomena that emanate from the faulty heuristics used by the individual negotiator. A somewhat different perspective concerns how interpersonal situations may augment or reduce the existence of individual biases.

### NEGOTIATION AS A STRATEGIC GAME

A quite different mental model views negotiation as a game and the negotiator as a game player. This research tradition has roots in social psychology and economics. In this context, the negotiation game is analyzed strategically, as a series of interdependent choices that affect outcomes. Just as with the decision-making model, the strategic game model has also been heavily influenced by assumptions of rationality. As a game player, the negotiator is viewed as rational, meaning that he or she will use principles of logic and utility maximization to infer the best possible moves at any stage of any game, much like a chess player. This mental model has its roots in Raiffa's (1982) asymmetrically prescriptive-descriptive research. According to Raiffa (1982), 'Game theorists – most applied mathematicians and mathematical economists – examine what ultrasmart, impeccably rational, superpeople should do in competitive, interactive situations. They are not interested in the way erring folks like you and me actually behave, but how we should behave if we were smarter, thought harder, were more consistent, were all-knowing' (p. 21). Raiffa shuns this perspective and advances a different point of view: 'I started my career as a game theorist doing research of the symmetrically prescriptive variety, but later became increasingly involved in advising one party about how it should behave, given its descriptive probabilistic predictions about how other parties might behave (the asymmetrically

prescriptive/descriptive case' (p. 22). Thus, this mental model has, at its core, prescriptive goals, but does not assume that individual behavior is perfectly rational. The 'gaming' mental model has been approached from a diversity of perspectives, such as Deutsch and Krauss's famous trucking experiments (1960, 1962) and, more recently, behavioral game theory. We begin by reviewing the early work of Deutsch and then focus on behavioral game theory.

SOCIAL PSYCHOLOGY: THREAT  
AND NEGOTIATION BEHAVIOR

Deutsch (1949) was concerned with the effects of cooperation and competition upon behavior. He began his analysis with a definition of cooperative and competitive situations. He then considered the implications of the definitions and formulated a set of hypotheses about the relative effects of cooperation and competition on group processes and negotiation behavior. The focus of Deutsch's empirical work centered on threat and how it affected bargaining behavior. A series of experiments (Deutsch and Krauss, 1960, 1962) found that the availability of a threat option decreased the joint profit obtained by negotiators. Experimentally, Deutsch and Krauss had negotiators play 20 'trials' of a two-person trucking game with the same opponent for imaginary rewards. Each participant accumulated profits in direct proportion to the time taken to reach a goal and could learn the opponent's position only when they met head on in the common path. The efficiency with which the conflict was managed (measured by mean joint profits of the players) was highest in the no-threat condition and was progressively lower in the unilateral and bilateral threat conditions. Deutsch's work was important theoretically and prescriptively. Theoretically, Deutsch developed a standard for empirical analysis of economic principles, using a relatively tightly controlled experimental paradigm. Prescriptively, Deutsch's work, conducted during the height of the cold war, offered ominous advice to the then superpowers: bilateral threat may lead to mutually assured destruction.

**Economics: game theory**

Game theory is the strategic analysis of interdependent situations (von Neumann and Morgenstern, 1947) and assumes that negotiators are rational, and that they pursue strategies to maximize their outcomes. Until relatively recently, game theory was nearly exclusively theoretical. In recent years, a new field known as behavioral game theory has

emerged (Roth, 1988, 1993). Scholars in this field seek to examine the conditions under which game players choose courses of action. For example, in the typical game, players are given complete information about both parties' outcomes. However, presenting incomplete or asymmetric information may shift outcomes. Straub and Murnighan (1995) found that asymmetric information led players to accept lower offers than when full information was held by all parties.

The games just described were a single round (also known as one-shot); that is, only one decision was made. It is possible to play the game repeatedly, as in a multiround prisoner's dilemma. There is greater reason to use a strategy involving cooperation in a repeated game than a single-round game, as greater gains will ensue. There is also greater opportunity to develop cooperation, because the moves made can be signals, effectively serving as communication (Axelrod, 1970). Consistent with this analysis, allowing communication between parties can foster cooperation, even in single-round games (Majeski and Fricks, 1995).

The claim is that communication fosters trust and alleviates fear of defection by the other party. Findings of studies allowing different forms of communication support this claim. The richer the communication medium, the more likely players are to cooperate (Valley et al., 2000). Reputation also affects behavior. Even in a single-round game with no communication between players, knowledge of the other player's reputation can influence choice (Nauta and Hoeksta, 1995).

**Ultimatum games**

A recent addition to this literature is the ultimatum game, in which two players (player 1 and player 2) face the task of dividing a fixed amount of money (see Selten, 1975). In the first period of the game, player 1 makes a proposal for the division of this sum, which can be either accepted or rejected by player 2. In the case of an acceptance, each party receives their agreed-upon amount. If player 2 rejects the proposed division, either the parties receive nothing, or player 2 is allowed to make a counteroffer to divide a smaller sum. Each of these games has an elegant, normative solution (one should choose according to what yields the largest amount); however, the common finding is that people do not choose strictly according to monetary gain (see Murnighan and Pillutla, 1995).

Accordingly, other approaches have developed that try to examine descriptive motivations other than that of strict utility maximization. A key motivational determinant of behavior in game situations is fairness, or the pursuit of mutual or social interest. Indeed, a large body of research in negotiation has identified concerns with fairness or social utility as

a prime determinant of behavior (Bazerman et al., 1992; Loewenstein et al., 1989; Messick, 1993).

### Social motives

People have different orientation towards the process of negotiating: some people are individualists, seeking only to maximize their own gain; others are cooperative, seeking to maximize joint interests; and others are competitive, seeking to maximize the positive difference between their own gain and that of the other party. McClintock and his colleagues (McClintock and van Avermaet, 1982) depict these different motivational orientations as defined by two orthogonal considerations: concern for the self and concern for the other party. They examine how motivational orientations, ranging from altruism (high concern for the other's interest) to aggression (desire to harm the other party) affect negotiation behavior.

### Fairness

With its strong focus on allocations, it is not surprising that fairness is a key dependent measure in the game theoretic tradition. From a normative theoretical standpoint, there is no single principle that best prescribes how to divide a pie of resources (Nash, 1950). Rather, the allocation of resources is influenced by social psychological considerations. Messick (1993) provides evidence that negotiators' use of particular fairness principles, such as equality, equity, or need, is highly influenced by situational factors, some of which may be highly arbitrary. For example, negotiators tend to use equality when they share similar attitudes and beliefs, when they are physically close, when allocations are public, or when it is likely that they will engage in future interaction. Friends tend to use equality, whereas nonfriends or acquaintances use equity (Austin, 1980). Fairness rules also depend upon whether people are dealing with rewards versus costs (Sondak et al., 1995). Loewenstein et al. (1989) found that judgments of fair division are strongly driven by the nature of the relationship negotiators have with the other party: People in positive or neutral relationships prefer equality; however, in negative relationships, people prefer 'advantageous equity' (that is, preferred to get more resources than the other party).

### Summary

A rational analysis of negotiation has typically led to a discussion of strategic moves to maximize individual gains. Individual negotiators are advised to

maximize their own self-interest. One's opponent is presumed to be equally rational and self-interested. Accordingly, taking the opponent's perspective and inducing his or her probable moves can help in the decision-making process.

Recent empirical and modeling research suggests the importance of reputation, communication, and fairness concerns. An additional question is whether to play the game at all, and with whom. If the current opposing player is not cooperating, one might be able to switch to a new partner. However, there are opportunity costs of switching. Hence some willingness to 'suffer for the relationship' may outweigh the need for complete cooperation (Hayashi and Yamagishi, 1998). A new area of research is questioning whether there is a single utility function that people are maximizing. For example, as discussed above, fairness and reputation concerns may modulate calculations of utility. However, these concerns may signal the need to consider a separate dimension altogether. Further questions have revolved around moral decisions, and whether they operate under the same sorts of functions. For example, Tetlock and colleagues (Fiske and Tetlock, 1997; Tetlock et al., 1996, 2000) have argued that some issues are socially and morally restricted from being compared with others, thought about as hypotheticals, and so forth. For example, although it is reasonable to compare amounts of money and amounts of chocolate, it is morally inappropriate to compare amounts of money to the value of one's children – what Tetlock and colleagues term a 'taboo trade off'. Exploring the range of considerations that enter into people's decisions can help clarify the strategies they use to act.

### NEGOTIATION AS A RELATIONSHIP

A relatively recent mental model of negotiation views the negotiator as building and maintaining a relationship with another person. This mental model represented a backlash of sorts against the 'gaming' and 'decision-making' mental models, which regarded rational behavior as the benchmark for optimal behavior. Conversely, the 'relationship' mental model largely rejects the economic model, and, instead, focuses on the quality of the relationship among negotiators (Gray, 1994). Several factors are important in this regard, including the importance of social perception, the expected duration of the relationship (long- versus short-term), the valence of the past relationship between the parties (positive, negative, neutral), the type of relationship (business, social, etc.), and the nature of the communication media (face-to-face versus telephone versus electronic format). The research

findings concerning the impact of the nature of the relationship between negotiators on the process and outcomes of negotiation are complex (see Valley et al., 1995, for a review). For example, negotiators in long-term relationships are not more likely than are strangers to reach integrative outcomes on tasks in which parties can maximize outcomes (Fry et al., 1983; Thompson and deHarpport, 1998). A central component of the relationship model is social perception. Consequently, how impressions are formed, maintained, and acted upon based on information about the other party is important for understanding negotiation behavior and motives. A key question concerns how subjective perception deviates from objective reality.

### Social perception

The landmark studies of social perception in negotiation were carried out by Kelley and Stahelski (1970). They explored people's perceptions about cooperative and competitive others. Competitors perceive others to be competitors, and hence act competitively. However, cooperators perceive others as either cooperators or competitors, and hence act both cooperatively and competitively according to circumstance.

### Rapport and behavioral synchrony

Rapport, sometimes manifested as behavioral synchrony, is critical for the development of relationships (Tickle-Degnen and Rosenthal, 1990). For example, to the extent that people adopt the same mannerisms and emotions, they are more likely to feel in sync (Bernieri et al., 1994). Not surprisingly, some situations are more conducive to developing rapport than are others. For example, face-to-face contact generally facilitates the development of rapport. To examine the rapport-building powers of face-to-face contact, Drolet and Morris (2000) had negotiators either stand shoulder-to-shoulder (so they could not make eye contact while negotiating and hence would have less rapport) or face-to-face (so that eye contact was possible and hence, rapport should develop). They found that rapport and outcomes were higher when negotiators could make eye contact; presumably, there was more behavioral synchrony taking place.

Recent research examining different levels of interaction resulting from using different kinds of electronic media is helping to shed light on what aspects of interaction are critical for shifting behavior and affect the quality of outcomes. Moore et al. (1999) examined the ability of negotiators to build rapport via electronic, or email, negotiation. Specifically, they found that people negotiating via

email who 'schmoozed' were more effective in reaching agreement than those who were not instructed to schmooze. 'Schmoozing' refers to the act of talking with other people not for strictly agentic (task-oriented) reasons, but rather, for the pleasure of conversing (Thompson and Nadler, 2002). Typically, people who are schmoozing have the goal of finding agreement and areas of similarity. It is traditionally referred to as small talk, but with the goal of establishing rapport. The key mediating factor concerned the development of trust and rapport between e-negotiators. Valley et al. (2000) have also contrasted negotiation performance when communication is by computer (text), by telephone (voice), or face-to-face, and report that people are less inclined to lie in face-to-face negotiations than in computer or telephone negotiations.

### Subjective versus objective appraisals

There is often an empirical discontinuity between the perceptions that negotiators have of a negotiation situation and their actual outcomes (Thompson et al., 1995). For example, negotiators frequently feel that they have performed better than they actually have, and negotiators who are more successful do not necessarily experience more satisfaction or feelings of success (Thompson, 1995). If the other party in the negotiation felt happy, negotiators felt less successful than if the other party felt disappointed – regardless of the negotiated outcome.

The nature of the relationship between negotiators is a strong determinant of perceptions of satisfaction and success. For example, in Thompson et al.'s (1995) study, negotiators were more generous in allocating resources to an in-group member who was disappointed in a prior negotiation. In contrast, they felt more successful when negotiating with out-group members who were disappointed in a prior negotiation.

### Summary

Establishing a relationship between parties may supersede any other issue in a negotiation. A relationship can provide trust and communication, allowing parties to share information necessary for reaching an agreement. Therefore, the advice to the negotiator is to build trust and rapport with the other negotiators. Doing so may require enriching the medium of communication if it has been impoverished. Of course, it is also possible to use persuasive tactics to foster the appearance of a relationship. A further concern is that a positive relationship is not a guarantee of high joint outcomes (Fry et al., 1983; Thompson and DeHarpport, 1998).

An avenue of research critical to the relationship model of negotiation is an examination of trust. For example, De Dreu et al. (1998) examined how the ability to punish the other party limited outcomes among cooperatively motivated negotiators. They claimed that the threat of punishment led to conflict avoidance and lower trust, thereby limiting outcomes. Despite the prescription to build trust, the relationship between trust and negotiation outcomes is complex, the measures are often indirect, and there is some variability in how trust is viewed (e.g., Ross and LaCroix, 1996). How trust develops is a further research direction, such as the formation of trust among new and potentially short-term acquaintances (that is, what Meyerson et al. (1996) have called 'swift trust').

#### NEGOTIATION AS JOINT PROBLEM-SOLVING

According to Fisher et al. (1991), parties should try to establish a problem-solving process for the negotiation. This has been the principal way of describing the integrative aspect of negotiation, or how people enlarge the pie of resources available in a negotiation. To contrast integrative with distributive aspects of negotiation, consider the classic story of two sisters quarreling over a single orange. To end the bitter argument, they agree to compromise by cutting the orange evenly in half (a distributive solution). Later, they realize that one of the sisters used the juice and the other needed only the rind for a cake. Thus, they overlooked the integrative solution of giving all of the juice to one of the sisters and all of the peel to the other. Most researchers have left the discussion of integrative and creative components of negotiation to a broadly construed problem-solving process. The claim is that integrative bargaining requires people to focus on interests, not positions, and to apply negotiation frameworks to analyze situations. An emerging mental model of negotiation, inspired by research in cognitive psychology, is taking literally the perspective that a negotiation is a problem to be solved (Loewenstein and Thompson, 2000; Prietula and Weingart, 1994). Perhaps more than any other perspective on negotiation, this view stresses the role of knowledge.

#### Problem representation

If negotiations are problems to be solved, the first question is what problem are people attempting to solve. That is, how do people represent, or construe, the negotiation situation? In some sense, the models already presented (negotiation as power and persuasion, negotiation as social decision making, and so

forth) suggest some answers to the question of how people construe negotiation situations. For example, the fixed-pie bias is a description of how many untrained negotiators construe a negotiation problem.

Typically, people do not focus on how they are construing a problem, but rather make assumptions about the problem and then work within the confines of those assumptions. Research on problem solving suggests that greater time and effort spent on determining what problem to solve is associated with producing better solutions (e.g., Getzels and Csikzentmihalyi, 1976). The claim is that greater understanding of the problem enables one to create more apt solutions. This is consistent with the prescriptive claim that one should focus on the underlying interests of the parties, rather than the positions they happen to take, because they define the true negotiation problem. For example, Fisher et al. (1991) argue that one aspect of the breakthrough generating the Israeli–Egyptian accords was a restructuring of the core, debated issue. The parties' apparently opposing claims to the Sinai territory ('We want it') could be redefined into two issues (that is, possession could be broken down into the two issues, security and sovereignty), thereby allowing for the creation of an integrative solution.

#### Problem solving by rule application

There are two broad approaches to solving problems (Holyoak, 1995). The first is to apply rules and general strategies that bring the current negotiation problem closer to resolution. This is problem solving as a search through a space of options (Newell and Simon, 1972). The problem representations of the parties initially constitute the start state of the problem. The actions the parties take constitute operators, or rules. One might have many operators, and they can range in how widely they might be applied. For example, as applied to negotiation, the operators might include discussing the lowest-value issue, questioning an issue not yet discussed, or generating proposals that are compromises midway between the last two proposed values. The goal of applying operators is to change the state of the problem, transforming it into one that meets the criteria for an acceptable solution. This may require forming subgoals, such as separately finding solutions to three sets of negotiation issues.

There is a tight connection between how one represents a problem and what rules one uses to solve it. Thus, assumptions about a negotiation situation (such as a fixed-pie bias) may be limiting: they may restrict the search space by hiding possible solutions (Knoblich and Ohlsson, 1999). For example, Hyder et al. (2000) found that simplifying a negotiation situation by presenting it in a purely symbolic

form led to greater numbers of optimal solutions than did presenting the negotiation situation in a specific context. The reason is not that abstract problem situations are always easier than context specific problems (cf. Cheng and Holyoak, 1985), but, rather, that a specific context encouraged negotiators to substantiate claims on single issues, thereby reducing the search for integrative trade-offs. More generally, specific content knowledge can increase task complexity, thereby limiting the cognitive resources available for better search, or for reconfiguring the search space altogether.

Defining the state of a negotiation, and all possible operators, is a considerable task. This approach to problem solving – searching through a space of alternatives and selecting an appropriate strategy – is best applied to solve well-defined problems with clear rules and recognizable solutions.

### Problem solving by analogical reasoning

The second broad approach to solving problems is to draw on prior experiences. The act of using previous experiences to reason about novel situations is known as analogical reasoning (Gentner, 1983). There are three main steps involved in problem solving by analogical reasoning:

- 1 recalling a similar prior negotiation situation
- 2 mapping it onto a current situation
- 3 drawing an inference about possible solutions to the current situation based on what worked in the prior situation.

In this context, the primary goal of analogical reasoning is knowledge transfer.

Analogical reasoning is often applied to solve ill-defined problems, which have few clear rules and little concreteness about the nature of a solution. This approach to problem solving stresses the particular experiences one has already had, and how these play a role in the problem-solving process. If the prior experiences are similar to the current negotiation situation, solutions should be readily available. If the current situation appears novel, either few reminders occur or the retrieved examples are so different that they restructure the current problem. This is because there is an unfortunate irony about memory retrieval with respect to analogical problem solving (Gentner et al., 1993): recall is most often dominated by surface and contextual cues ('This is a negotiation about oranges; I remember another negotiation concerning fruit'), whereas mapping and inferences are most strongly supported by matching relational structure ('This is a negotiation with multiple issues for which parties have different preferences; in a past negotiation, this situation was an opportunity to generate a trade-off – let me look for one here').

### Learning to negotiate

The problem-solving model offers a basis for understanding how people negotiate as well as learn. People may acquire new operators, essentially new actions they might take in a negotiation situation, and gain insight into when those operators should be used. People may also learn about new cases, providing a basis for drawing analogies to further negotiation problems. Thus, the problem-solving model provides theoretical grounding for understanding how people can capitalize upon their prior negotiation experiences.

For instance, Thompson et al. (2000; Loewenstein et al., 1999) explored whether reading negotiation cases was sufficient for them to be used to solve further negotiation problems (that is, sufficient for knowledge transfer). The assumption was that for transfer to occur, people would need help grasping key aspects of the negotiation examples. One such form of help was to draw a comparison during learning so that a comparison could be used to isolate the key aspects in the learning examples (e.g., Gick and Holyoak, 1983). Thompson et al. (2000) contrasted two learning situations: in the first, people read two negotiation cases and provided advice (a 'consulting' condition); a second group read the same two cases and drew a comparison between them. As predicted, less than 25 percent of those in the consulting condition profitably transferred from the cases to their face-to-face negotiation, but over 60 percent of those in the comparison condition did so. The suggestion is that learners might come to understand negotiation principles by comparing examples they encounter.

### Summary

Describing negotiation as joint problem solving makes prominent the fact that the parties are responsible for solving a problem of their own creation. The challenge is to determine the actual structure of the problem, as determined by the interests of the parties. Accordingly, the advice to the negotiator is to determine what those interests are. Asking questions, sharing information, and building trust are open ways of finding out this information. Generating multiple proposals and determining which is best for the other party provides a way of inducing another party's preferences without the direct discussion of interests that can appear threatening. A final aid is the use of post-settlement settlements (Raiffa, 1982). This requires negotiators, after reaching an agreement, to explore further solutions that are better than the current agreement. Thus, postsettlement settlements offer a means for helping to ensure that parties have reached the best possible agreement.

A new direction for research is bridging the group problem-solving literature with negotiation. For example, researchers have found that information shared by all group members tends to be more prominent in the group problem-solving process than information held by only certain individuals (Larson et al., 1994). However, this effect seems limited by group members' familiarity with one another: groups with friends are more likely to share uniquely held information than are groups of strangers (Gruenfeld et al., 1996). How such common information effects and group dynamics play out in negotiation is an intriguing question for future research.

## DISCUSSION

We have reviewed five major theoretical orientations that guide descriptive, prescriptive, and paradigmatic advances in the field of negotiation. We argue that these five orientations operate as mental models. The five mental models – power and persuasion, strategic game, social decision making, relationship, and problem solving – have their roots in different disciplines and consequently represent large points of division within the field of negotiation. After having reviewed these different mental models, we now consider their descriptive, prescriptive, and paradigmatic implications (Table 23.1).

### Descriptive implications

We focused on three key descriptive issues:

- 1 how negotiators perceive the situation
- 2 what key factors affect behavior
- 3 how parties reach agreement.

With regard to perception, the 'power' mental model views the situation as a battle of wills, a contest, or a situation involving psychological force. In contrast, the 'decision' mental model views the situation as a choice between different courses of action, and the decision maker as guided by rough heuristics and biases. The 'gaming' mental model views the situation as a course of action as well, but instead of using heuristics and biases that emanate from superficial aspects of the context (such as framing), the negotiator uses a strict cost-benefit, value-maximizing approach that also considers the 'moves' of the opponent. The 'relationship' mental model views the situation as an opportunity to create, maintain, or repair a relationship. Finally, the 'problem-solving' mental model views the situation as a problem that can be analyzed with previously learned knowledge.

These different views of the same situation naturally give rise to conditions that should exert the maximum impact on actual behavior and performance. For the power and persuasion approach, the parties' BATNAs and power balance are the most important concerns. In contrast, for the decision approach, the framing of the situation has the most dramatic effect on behavior. The gaming approach argues that the information and rules of the game have the most sizable impact on behavior. The relationship approach clearly suggests that it is the nature of the relationship between the negotiators that will chart the course of their behavior. Finally, the problem-solving approach predicts that the behaviors are influenced by analogical reasoning.

Given the different approaches, the models suggest different courses of action to reach agreement. The power-and-persuasion model offers a route of making reciprocal concessions until an agreement is reached that is as close to one's target and the other party's BATNA as possible. The decision-making model suggests that one's assumptions and tolerance for risk shape what will be considered an acceptable agreement. The strategic-game model argues that one should take the maximum outcome available, although there is some concern for maximizing fairness or social utility as well. The relationship model suggests that once an appropriate script for interacting has been found, an agreement will naturally ensue. The problem-solving model offers the perspective that the agreement that meets the most important interests of the parties will be accepted.

### Prescriptive implications

With regard to prescriptive implications, it is useful to consider the advice offered by each model so as to reach an efficient negotiation outcome. The power mental model clearly suggests that the negotiator should attempt to gain advantage over the other party by either psychological tactics (such as creating a feeling of indebtedness) or economic tools (such as improving his or her BATNA, or obtaining knowledge of the other party's BATNA). The decision-making mental model of negotiation advises that the negotiator minimize cognitive biases by considering multiple perspectives. The gaming mental model advises that the negotiator seek to maximize his or her utility as determined through backward induction. The relationship mental model advises that the negotiator build rapport with the other party, perhaps through enriching the mode of communication to allow for broader conveyance of nonverbal behaviors. Finally, the problem-solving mental model suggests that the negotiator should determine the underlying interests of the parties and then attempt to craft or

retrieve an agreement structure that best addresses these interests.

### Paradigmatic implications

The five models of negotiation also have implications for the development of research questions. The power-and-persuasion model has a requisite focus on persuasive tactics. It is possible to manage a negotiation through the direct manipulation of the negotiation process itself: instituting a unanimous versus a majority voting rule, and working on a single negotiation text are strategies one might take to influence a negotiation process. Less direct are strategies that manage others' assumptions, and nonconscious processing. For example, we strive for consistency in our beliefs and actions, a fact which can make us more likely to accept a large request after agreeing with a trivial request (Beaman et al., 1983). The decision-making model has led to research that explores new biases, the processing mechanisms underlying the biases, and the conditions that might ameliorate biases. The game model has recently explored the possibilities of multiple utility functions, as well as the possibility of noncomparability. The relationship model is leading researchers to probe the nature of trust, as well as to explore social networks. The problem-solving model has raised questions concerning problem representations and analogical learning.

### Summary

The five models bring cognitive, affective, and social perspectives to understanding negotiation and they address different levels of analysis (such as individual, dyadic, and multiparty). For example, the decision-making, game, and problem-solving approaches are highly cognitive and largely focused on an individual level of analysis. The power and relationship models are distinctively social and involve emotional factors. They focus on the dyadic or interpersonal level of analysis.

Our review of these different theoretical models is not intended to pit the models against one another in a competitive-theory-testing sense. Rather, our intent was to expose the different frameworks – and assumptions – that managers, educators, and scholars bring to negotiation. Perhaps no other topic in social science has had the unique opportunity to receive so much attention from such disparate models.

It is worth noting that an increasing amount of negotiation occurs across group and cultural boundaries. Although the focus of most previous research has been on North American dyadic negotiations, a relatively new movement within negotiation has begun to examine cultural sources of variation

(Brett, 2001). For example, Brett (2001) found that German negotiators tended to have cooperative social motives and openly to share information about preferences, whereas Israeli negotiators tended to exhibit greater self-interest and exchange proposals. One result from such research is that different negotiation strategies (such as direct use of power) can yield dramatically different outcomes based on the often culturally based assumptions of the parties (presumed or offensive displays of self-interest). These kinds of findings provide a basis for detailed explanations and prescriptions for negotiations occurring across cultures. Morris and Fu (2001) have presented a dynamic constructivist approach to cultural differences in negotiation. The primary claim of this model is that culture and context variably activate people's knowledge, which in turn influences their actions. This represents a movement away from culturally endowed traits and towards culturally provided knowledge. As Gelfand and Dyer (2000) suggest, the coming years hold great promise for new understandings given the amount of ongoing work on cross-cultural research on negotiation.

### CONCLUSION

In this chapter, we identified five research paradigms that have been used for research as well as descriptive purposes, including the negotiator as persuader and power wielder; as decision maker; as game player; as relationship builder; and as problem solver. These models not only help describe negotiation phenomena, but also help to offer prescriptive advice to negotiators as well as guide research and conclusions.

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