Social Cognition, Attribution, and Perception in Negotiation: The Role of Uncertainty in Shaping Negotiation Processes and Outcomes

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Traditional economic theories, as well as conventional wisdom, suggest that negotiations should be rational transactions guided by the principle of utility maximization (Raiffa, 1982). That is, the economic perspective assumes that negotiators have stable, well-defined preferences, and that they attempt to fulfill these preferences during the course of their negotiations by striving to maximize their gains and minimize their losses. Unfortunately, in reality, negotiations are rarely this straightforward, and negotiations often fail to play out according to the predictions of rational choice models (Neale & Bazerman, 1991). As a result, negotiation researchers have demonstrated a growing interest in a social cognition approach to negotiation, which aims to understand the human psychological influences on negotiation processes and outcomes. Rooted in social psychology, social cognition concerns how individuals make sense of their environment and think about the world around them (Fiske & Taylor, 1991). In the context of negotiation, research on social cognition investigates how negotiators’ perceptions and attributions affect their desires and behavior in negotiations and, subsequently, their negotiated agreements. Thus, unlike traditional economic models of negotiator behavior, the social cognition approach to negotiation recognizes that two negotiators, facing the same objective circumstances, may have different goals, express different behaviors, and obtain different benefits, simply because these two negotiators perceive their circumstances differently.
Understanding negotiators' perceptions is important because negotiations are generally characterized by a high degree of uncertainty on the part of the negotiating parties. Negotiators operate in a world of imperfect information. They often have limited knowledge of their opponents' skills, preferences, and strategies, and frequently even lack insight into their own desires and behaviors (e.g., Curhan, Neale, & Ross, 2004). As a result, negotiators are often unsure of who or what to believe, how to behave to get what they want, and how to anticipate the consequences of their actions. In an attempt to reduce these types of uncertainties, negotiators are likely to be sensitive to environmental cues and vulnerable to cognitive shortcuts that enable them to simplify a relatively complex problem and make sense of their situation. At the same time, this uncertainty implies that any given negotiation situation is likely to be open to multiple interpretations. In short, the uncertainty inherent in most negotiations opens the door for negotiators' attributions and perceptions to shape how negotiations unfold, and these negotiator cognitions are influenced by both the negotiators' dispositions and specific features of the bargaining context. Thus, negotiators may frequently fall prey to many decision-making biases and perceptual errors (see Bazerman & Chugh, chapter 2), depending on how particular dispositional and situational factors affect their interpretation of the bargaining situation (Neale & Bazerman, 1991).

In this chapter, we take a social cognition approach to negotiation and explore how negotiators' social perceptions shape their attitudes, behaviors, and negotiated outcomes. In particular, we focus on the role of uncertainty in shaping negotiator cognition. We outline the various types of uncertainties that negotiators are likely to face, and discuss the perceptual and behavioral consequences that result from negotiators' attempts to resolve these uncertainties. We organize this discussion around the types of uncertainties that negotiators face at various stages of a negotiation, talking first about uncertainties that negotiators encounter before and during a negotiation, and second about uncertainties that negotiators face subsequent to a negotiation. Finally, we conclude by discussing the costs and benefits of negotiator uncertainty and then discussing factors that influence whether negotiator uncertainty will lead to functional or dysfunctional negotiator behavior.

UNCERTAINTY BEFORE AND DURING A NEGOTIATION

Many of the ambiguities that negotiators face arise during the preparatory stages of a negotiation and persist, and often evolve, throughout their interactions. In this section, we focus on two main types of uncertainty that negotiators encounter during their interactions: goal uncertainty, or ambiguity regarding the objective of the negotiation, and preference uncertainty, or uncertainty regarding one's own preferences and the preferences of one's counterparts. In both cases, we focus on how negotiators' attempts to resolve these uncertainties affect their cognitions and perceptions in their negotiations.
Goal Uncertainty

One of the first uncertainties that negotiators need to resolve is deciding on a goal for the negotiation (see Carnevale & De Dreu, chapter 4, for a complete discussion of goals and motivations in negotiations). As mentioned previously, economic models often assume that negotiators are motivated by a single goal, the desire to maximize utility, but in actuality, there are multiple, and sometimes seemingly contradictory, goals that negotiators may try to achieve through the course of their negotiations. The decision about which goal, or set of goals, to adopt during a negotiation may stem partly from individuals' chronic preferences to pursue some goals over others (e.g., Higgins, 1997), but will also be affected by situational factors, such as which goals are made salient to the negotiators (e.g., Galinsky, Mussweiler, & Medvec, 2002a) or which goals negotiators assume that their opponents will pursue (e.g., Paese & Cilin, 2000). In this section, we discuss how negotiators choose among multiple goals in a negotiation, and how these choices shape their subsequent cognitions, behaviors, and outcomes.

Achieving Aspirations vs. Beating Reservations One of the most basic goals that negotiators need to decide on is what constitutes an acceptable outcome from a negotiation. In most cases, negotiators are likely to agree to a deal within a certain range of outcomes, with an upper and lower bound, rather than just insisting on one specific outcome that must be achieved. However, within this range of acceptable solutions, negotiators can set different goals. On one hand, negotiators may focus on the upper bound of their outcome range (referred to as a negotiator's aspiration price) and think about the ideal outcome that they could obtain from the negotiation. On the other hand, negotiators may focus on their lower bound (referred to as a negotiator's reservation price) and think about the minimum outcome that they must obtain to reach a deal in the present negotiation. Of course, negotiators are not required to choose between these two goals, and could theoretically attempt to satisfy both goals simultaneously. However, we suggest that the complex and uncertain nature of negotiations motivates negotiators to simplify their situation, and as such, they are likely to focus on only one of these goals at any given time (Polzer & Neale, 1995).

Understanding when and why negotiators are likely to choose one of these goals—achieving one's aspirations or beating one's reservations—over the other is important, because research suggests that this decision often affects the outcomes that negotiators are able to achieve. In general, negotiators achieve better outcomes for themselves when they focus on their aspiration price than when they focus on their reservation price (Galinsky et al., 2002a). This difference in performance occurs because attempting to achieve one's highest expectations (i.e., focusing on one's aspiration price) is a more challenging goal than simply attempting to outperform one's minimally acceptable standard (i.e., focusing on one's reservation price). A large body of evidence indicates that negotiator's outcomes are influenced by the difficulty of their goals: The more difficult the goal a negotiator is trying to achieve, the better the outcome obtained from the negotiation.
Several factors may influence on which of these two goals, aspirations or reservations, negotiators focus. One possibility is that negotiators have chronic, dispositional preferences for focusing on one goal over the other. For example, research by Higgins (see Higgins, 1997, for a review) has demonstrated that individuals differ in their self-regulation strategies: Some individuals adopt a promotion focus, or a focus on aspirations and accomplishments, whereas other individuals adopt a prevention focus, or a focus on responsibilities and safety. Individuals with a promotion focus are generally motivated by a desire to achieve positive outcomes, while individuals with a prevention focus are generally motivated by a desire to avoid negative outcomes. Evidence suggests that these differences in regulatory focus affect individuals’ goals and behaviors. For example, promotion-focused individuals, who are eager to obtain gains, have been found to perform better on tasks when successful performance is framed in terms of achieving a gain (e.g., gaining $1 for successful performance), than when performance is framed in terms of avoiding a loss (e.g., losing $1 for unsuccessful performance), whereas prevention-focused individuals exhibit the opposite pattern (Shah, Higgins, & Friedman, 1998). Relatedly, Crowe and Higgins (1997) found that promotion-focused individuals were more willing to take risks than prevention-focused individuals, who were more conservative. These differences in self-regulation strategies have also been shown to affect negotiators’ choices of goals in a negotiation. Promotion-focused individuals are more likely to focus on the goal of achieving their aspiration price; prevention-focused individuals are more likely to focus on the goal of beating their reservation price (Galinsky, Leonardelli, Okhuysen, & Mussweiler, 2005). Consequently, chronic differences in negotiators’ self-regulation tendencies affect their outcomes from a negotiation: Promotion-focused negotiators, who focus on their aspiration prices, systematically outperform prevention-focused negotiators, who focus on their reservation prices (Galinsky et al., 2005).

Beyond these chronic tendencies to focus on one’s aspirations or one’s reservations, a negotiator’s decision about which goal to pursue may also be affected by situational forces that make one of these goals more salient than the other (Galinsky et al., 2002a). For example, a negotiator’s decision to focus on aspirations or reservations may be affected by which party in a negotiation makes the first offer and what the value of this first offer is (Galinsky & Mussweiler, 2001). A negotiator who makes a first offer in a negotiation is likely to make an offer that is personally advantageous, that is, an offer that is close to the negotiator’s aspiration price. To the extent that different parties to a negotiation are likely to have nonidentical preferences, the negotiator who receives a first offer may find that this offer is not particularly desirable (perhaps barely above, or even below, this negotiator’s reservation price). Once this first offer is made, negotiators are likely to generate knowledge that is consistent with it (Galinsky & Mussweiler, 2001; Mussweiler & Strack, 1999a, 1999b, 2000). That is, all parties to a negotiation will selectively recall information that supports the validity of this offer. The negotiator who made the offer, in thinking about why this offer is a reasonable one, may focus on his
aspiration price and conclude that his goal is to obtain a deal as close to his aspiration price as possible. In contrast, the negotiator who receives the offer (which may be closer to this negotiator's reservation price than aspiration price), may become quite pessimistic about her likely outcome in the negotiation, and subsequently focus on simply trying to obtain an outcome that is at least as good as her reservation price. As discussed above, these differences in negotiator goals should affect the quality of the outcomes that negotiators obtain from a negotiation. Indeed, research suggests that negotiators who make first offers in a negotiation, and as a result focus on their aspiration price, generally obtain better outcomes than negotiators who do not make the first offer (Galinsky & Mussweiler, 2001).

The tendency to focus on one's aspiration price versus reservation price may also be affected by structural factors, such as the power relationship between the negotiating parties. Most conceptions of power are based on Weber's (1947) classic definition of power as the probability that a person can carry out his or her own will despite resistance. That is, power is defined as the capacity to control one's own outcomes and the outcomes of others: The greater one's level of control, the more power one possesses. According to power-dependence theory (Blau, 1964; Emerson, 1962), a prominent theoretical framework for conceptualizing power, one's level of control, in turn, is based on the extent to which others depend on the focal individual for resources and rewards. Thus, given two individuals, A and B, A's power over B is directly related to the degree to which B is dependent on A. In the context of negotiation, negotiator power has been operationalized in several different ways. One frequently studied source of negotiator power is a negotiator's alternative to a given negotiation (Pinkley, Neale, & Bennett, 1994). A negotiator who possesses a valuable alternative to a negotiation (e.g., a job candidate who already has several appealing job offers) is less dependent on the focal negotiation than a negotiator with poor (or nonexistent) alternatives (since the negotiator with attractive alternatives can simply walk away and accept another job); and, therefore, the former negotiator is said to possess greater power in the negotiation than the latter. Alternatively, negotiator power has also been operationalized as the amount of value that a negotiator contributes to the present negotiation (Kim, 1997; Kim & Fragale, 2005). Negotiators who bring unique skills, attributes, and knowledge to a negotiation (e.g., a job candidate with specialized finance skills that no other candidate possesses) increase their counterparts' dependence on this relationship (e.g., to acquire the specialized finance skills, the recruiter is dependent on the job candidate accepting the job), and consequently possess greater power. Conversely, negotiators who lack such unique contributions will generate less dependence from their counterparts and will possess lower levels of power.

In some instances, all parties to a negotiation may be equally dependent on each other and thus possess equal power. However, in many cases, negotiators will be of unequal power; that is, the parties will differ in the extent to which they are dependent on the other negotiators to receive valued rewards, and thus one party in a negotiation may have a greater ability to exert control over his or her own outcomes and the outcomes of others. Evidence suggests that negotiators' power positions affect their reservation and aspiration prices: High-power negotiators set
higher reservation and aspiration prices than their low-power counterparts (Pinkley et al., 1994). As a result, negotiators with high power generally obtain better outcomes from their negotiations than low-power negotiators (Komorita & Leung, 1985; Pinkley et al., 1994). However, in addition to affecting the values of their aspiration and reservation prices, evidence suggests that negotiators’ power positions may also affect their likelihood of focusing on one of these values over the other. Related to the above discussion of the effects first offered in negotiations, research has demonstrated that negotiators who possess high power are more likely to make a first offer in a negotiation than negotiators who possess lower power (Magee, Galinsky, & Gruenfeld, 2004). As the above-mentioned research suggests, making the first offer may affect a negotiator’s goal, such that negotiators who make the first offer may be more likely to focus on their aspiration prices, whereas negotiators who receive a first offer made by a counterpart may be more likely to focus on their reservation prices (Galinsky & Mussweiler, 2001). Thus, a negotiator’s power may affect which goal, achieving aspirations or surpassing reservations, is most salient in a negotiation; high-power parties, who are more likely to initiate a first offer in a negotiation, may consequently focus on their aspiration prices, whereas low-power parties, who are more likely to be the recipient of a first offer, may focus on their reservation prices. This systematic difference in goals between high- and low-power parties may provide at least a partial explanation for the well-documented finding that high-power negotiators systematically outperform low-power negotiators.

Cooperating vs. Competing. Another aspect of goal uncertainty derives from negotiators’ decisions about whether to cooperate or compete. A negotiator may wonder if he or she should view an upcoming negotiation as a cooperative endeavor, in which all parties are concerned about the welfare and outcomes of other negotiators, or as a competitive encounter in which negotiators care only about their own outcomes. Although negotiators may perceive the decision to cooperate or compete as opposite poles of a single dimension, in actuality, cooperation and competition represent separate dimensions of behavior (Pruitt & Rubin, 1986; see Carnevale & De Dreu, chapter 4, for a discussion of dual-concern theory), and negotiators can, at least in theory, hold cooperative and competitive goals or display cooperative and competitive behaviors, simultaneously. In fact, most negotiations are “mixed-motive conflicts” in which negotiators need to cooperate to ensure that the supply of resources available for exchange is as large as possible and to compete to ensure that they are able to claim an acceptable share of these resources for themselves (Neale & Bazerman, 1991). As a result, evidence suggests that negotiators are able to reach the most integrative (i.e., mutually beneficial) agreements when they balance cooperation, which facilitates trust and information sharing, with competition, which fosters high aspirations and prevents negotiators from settling for suboptimal or compromise (i.e., 50/50 split) solutions (De Dreu, Weingart, & Kwon, 2000b). However, obtaining the optimal balance between cooperation and competition is not easy, and consequently, many negotiators fail to capitalize on full integrative potential available in their negotiations (Bazerman et al., 1985).
One reason that negotiators may have such difficulty in finding the most effective balance between cooperation and competition is that the desire to simplify a complex negotiation problem, combined with their personal preferences for one type of interaction over another, leads negotiators to categorize their interactions as either primarily competitive or cooperative and behave accordingly. One factor that influences negotiators' choices between these two goals is the dispositional tendencies that negotiators have for choosing one of these goals over the other. Researchers refer to such tendencies as social value orientations (Deutsch, 1960; McClintock, 1976; see also Carnevale & De Dreu, chapter 4, for a discussion of social value orientations) and distinguish among three types of negotiator orientations: a cooperative orientation (also known as a prosocial orientation), an individualistic orientation, and a competitive orientation. Cooperators are those individuals who focus on maximizing joint benefit (their own benefit plus the benefits of their negotiation counterparts), individualists focus on maximizing their own benefit with no regard for their counterparts, and competitors focus on maximizing their own benefit relative to their counterparts' (i.e., obtaining a better outcome than their counterparts). As the labels imply, individuals with cooperative social value orientations are more likely to pursue cooperative goals in their negotiations, and competitors are more likely to pursue competitive goals, with individualists falling somewhere in between. For example, social value orientations have been shown to affect the way that negotiators think about and plan for their upcoming negotiations. De Dreu and Boles (1998) demonstrated that cooperators perceived their upcoming negotiations to be more friendly and expected their opponents to be more cooperative than competitors. In addition, in planning for the negotiation, cooperators chose more cooperative heuristics, or rules of thumb, such as "an equal split is fair," whereas competitors chose more competitive heuristics, such as "winner takes all." Social value orientations also influence negotiators' behaviors once a negotiation has commenced. Several studies have demonstrated that cooperators exhibit lower levels of demand and make more conciliatory offers, are more trusting of their opponents, and perceive their opponents as more fair than competitors (De Dreu & Boles, 1998; De Dreu & Van Lange, 1995; Olekalns, Smith, & Kibby, 1996).

In addition to these chronic preferences that most negotiators bring with them to the bargaining table, the decision to adopt a cooperative or competitive goal in a negotiation can be affected by ephemeral states or situational aspects of the bargaining context. For one, the decision to cooperate or compete in a negotiation can be affected by something as simple, and transient, as one's mood (see Barry, Fulmer, & Goates, chapter 6, for a complete discussion of mood, emotion, and affect in negotiation). From a social-cognitive standpoint, the study of mood in negotiation explores how a negotiator's perceptions of his or her environment (self, others, and situation) are affected by the negotiator's affective state. Research by Forgas (1998) has demonstrated that negotiators' moods affect how negotiators think about their goals. Across a series of studies, Forgas found that negotiators who are in a good mood report greater intent to adopt cooperative bargaining strategies, achieve deals, and to honor deals in an upcoming negotiation; whereas negotiators who are in a bad mood report a greater intent to behave competitively.
Furthermore, the effects of negotiator mood extend beyond the planning stages of a negotiation: Negotiators in a positive mood report using more cooperative strategies during the negotiation and actually achieve better outcomes for themselves than negotiators in a bad mood, who report using more competitive strategies (Forgas, 1998).

The decision to cooperate or compete can also be affected by the medium through which the negotiation is conducted. Although a majority of the empirical research on negotiations has been conducted in face-to-face contexts, there has been a growing interest in understanding how society's increasing reliance on e-mail communication impacts negotiator behavior (see Nadler & Shestowsky, chapter 8). Evidence to date suggests that negotiators are more likely to behave cooperatively when negotiating face to face than when negotiating from a distance: Face-to-face negotiators are more likely to reveal truthful information (Valley, Moag, & Bazerman, 1998), more likely to disclose information about their interests (Bazerman, Gibbons, Thompson, & Valley, 1998), and more likely to use cooperative strategies and achieve higher joint gains (Drolet & Morris, 2000) than negotiators who interact over the phone or through some form of written communication (e.g., e-mail or notes). These researchers argue that lower levels of cooperative behavior in non–face-to-face contexts are driven by the difficulty of establishing trust and rapport (due to time delays in exchanging information and a lack of nonverbal cues), which are necessary for the formation of cooperative relationships. As a result, negotiations conducted face to face are generally more efficient (i.e., take less time) and are more satisfying for the parties involved than negotiations that occur at a distance (Purdy & Nye, 2000).

In addition to communication mediums, negotiators’ preferences for pursuing cooperative or competitive goals may be affected by their evaluations of their skills and abilities. Negotiators may choose to view a negotiation as a competitive encounter because they view themselves as excelling in competitive situations, or may choose to approach a negotiation cooperatively because they seem themselves as good team players. Of course, negotiators may have a dispositional tendency to view themselves as either good cooperators or competitors, but information provided in the negotiation may also temporarily shift negotiators’ self-perceptions. A study by Kim and his colleagues (Kim, Diekmann, & Tenbrunsel, 2003) demonstrated that negotiators who received positive-ability feedback (i.e., feedback that the negotiator seemed competent) from an opponent perceived themselves as better negotiators and reported greater intent to behave competitively in an upcoming negotiation than those who had received negative-ability feedback from an opponent. However, negotiators who received positive-ethicality feedback (i.e., feedback that the negotiator seemed honest) from an opponent perceived themselves as more ethical and reported a greater intent to behave cooperatively in an upcoming negotiation than negotiators that received negative-ethicality feedback.

In deciding whether to adopt a cooperative or competitive orientation, negotiators may also be influenced by the expected or observed behaviors of their counterparts. That is, deciding whether to behave cooperatively or competitively depends, in part, on how one expects one’s negotiation counterparts to behave.
Research by Diekmann and her colleagues (Diekmann, Tenbrunsel, & Galinsky, 2003) suggests that negotiators are aware that the behaviors of their counterparts will influence their negotiation behaviors, but that they are not always accurate in forecasting how these counterpart behaviors will affect them. In a series of studies, these researchers found that negotiators expected that they would behave more competitively when negotiating against a competitive opponent than a cooperative opponent. However, in actual negotiations, this did not occur. Compared to participants who negotiated against a purportedly noncompetitive opponent, participants who negotiated against an opponent that they believed to be competitive actually became less competitive during the negotiation: They set less aggressive reservation prices (i.e., they were willing to settle for less), they made less aggressive counteroffers, and they were more likely to accept their opponent's final offer. Thus, it appears that negotiating against an opponent that one believes to be competitive actually reduces one's competitive behaviors in a negotiation. Negotiators are likely to respond differently, however, to expectations of cooperative behavior from one's opponent. Evidence suggests that when a negotiator's opponent signals that he or she has a cooperative orientation, negotiators are likely to become more cooperative (Liebert, Smith, Hill, & Keiffer, 1968; Paese & Gilin, 2000). For example, Liebert et al. found that when a negotiator knew that his or her opponent had made a conciliatory, as opposed to demanding, first offer, the negotiator responded in kind with a conciliatory counteroffer. Similarly, when a negotiator knows that an opponent has been honest about his or her alternatives, negotiators are more honest about their own alternatives, and make and accept less demanding offers (Paese & Gilin, 2000). Thus, it appears that signals of cooperation from one's opponent, such as revealing truthful information and making less self-interested offers, increase one's level of cooperative behavior in a negotiation.

This asymmetry in negotiator responses to competitive and cooperative opponents raises an interesting question: Why is it that a competitive opponent decreases a negotiator's competitiveness, whereas a cooperative opponent increases a negotiator's cooperativeness? A potential answer to this question may be found in related research examining interpersonal behavior in social interactions. As mentioned above, cooperative and competitive orientations represent two separate dimensions of negotiation behavior (Pruitt & Rubin, 1986). Interpersonal circumplex theories (Carson, 1969; Kiesler, 1983; Leary, 1957; Wiggins, 1979, 1982) organize interpersonal behavior around two dimensions: an affiliation dimension (anchored by agreeableness and quarrelosomeness) and a control dimension (anchored by dominance and submission). Although affiliation and control are used to describe individual behavior across a wide variety of social settings, they generally correspond, respectively, to the dimensions of cooperation and competition discussed in negotiation contexts. Circumplex theories predict and empirical evidence suggests (e.g., Dryer & Horowitz, 1997; Tiedens & Fragale, 2003) that individuals are likely to assimilate to their interactional partners along the affiliation dimension but display contrasting behaviors along a control dimension. In other words, cooperative behaviors on the part of one's interaction partner are likely to increase one's level of cooperativeness (and uncooperative behaviors
will reduce cooperativeness), whereas competitive behaviors from one’s partner invite one to behave in a more submissive, less competitive fashion. These findings are consistent with the above findings on the effects of opponents’ actions on negotiators’ behaviors: Whereas cooperative behaviors from one’s negotiation opponent can increase one’s level of cooperativeness, competitive behaviors from one’s opponent actually reduce one’s level of competitiveness.

Preference Uncertainty

In addition to uncertainty surrounding the goals that negotiators should pursue, there is often considerable ambiguity regarding the preferences of the negotiating parties. To reach a deal, negotiators need to understand and respond to the preferences of their counterparts, yet negotiators often have little direct insight into what their counterparts actually value. More surprisingly, it is often the case that negotiators are not even aware of their own preferences (e.g., Curhan et al., 2004), in contrast to the fundamental assumption of rationalist economic accounts. As a result, negotiators are left having to deduce their own and others’ preferences, often as the negotiation is progressing. The information and assumptions that negotiators use to assess these preferences shape their subsequent cognitions and behavior during negotiations.

Uncertainty About Counterparts’ Preferences It stands to reason that negotiators will often lack knowledge of their counterparts’ desires and demands before a negotiation commences. In fact, one of the reasons individuals negotiate in the first place is to create a forum for exchanging information that will enable a mutually acceptable solution to emerge. However, negotiators often do not know how to seek out information from their counterparts, and may also worry that requesting information will oblige the requester to disclose proprietary information in kind, so they often just rely on assumptions or inferences about what their counterparts are likely to value. Unfortunately, negotiators often make systematically erroneous assumptions about their counterparts’ preferences, which reduce their ability to achieve optimal negotiation agreements. One of the most common heuristics that negotiators rely on when assessing their counterparts’ preferences is the false consensus effect (Ross, Greene, & House, 1977; see Marks & Miller, 1987, for a review), wherein individuals assume that their preferences and opinions are widely shared by others. Although this assumption is not always incorrect, and can even be functional and rational in some circumstances (see Dawes, 1989; Dawes & Mulford, 1996), it can also lead individuals to make erroneous assumptions about others’ preferences and behaviors (e.g., Sherman, Presson, & Chassin, 1984). When negotiators are unsure of what their counterparts value, they are likely to assume that the issues their counterparts care about are the same as their own (e.g., “If I care a lot about how much salary I earn, my employer must also care a lot about this issue”). This leads to a further, and also frequently incorrect, assumption that any negotiation an individual enters is likely to be a win-lose negotiation in which negotiators fight over dividing a fixed pie of
resources (known as the fixed-pie bias; Neale & Bazerman, 1991). That is, if a negotiator and his counterpart have identically weighted but oppositely valenced issue preferences in a negotiation (which the negotiator may assume due to the false consensus effect), there is no opportunity to find integrative, or win-win, agreements; one negotiator's gain is simply the other's loss. The fixed-pie bias, which results from negotiators' inferences about their counterparts' preferences, has been shown to affect the quality of outcomes that negotiators obtain. Even when opportunities to make mutually beneficial tradeoffs exist in a negotiation, negotiators frequently arrive at compromise, or "split down the middle," outcomes due to the erroneous assumption of a fixed-pie negotiation (Bazerman et al., 1985; De Dreu, Koole, & Steinel, 2000a).

The assumption that negotiators care about the same issues as their counterparts can also affect how negotiators react to offers proposed by their counterparts during the negotiation. Evidence suggests that negotiators are likely to succumb to reactive devaluation (Curhan et al., 2004; Ma'oz, Ward, Katz, & Ross, 2002; Ross, 1995; Ross & Ward, 1995), wherein one's preference for a proposal or idea decreases when the proposal is put forth by one's opponent. If negotiators assume that a negotiation is a zero-sum (my loss is your gain) activity, then any offer proposed by one's counterpart should be considered a bad deal by the negotiator receiving the offer. That is, negotiators reason that what is good for you is bad for me, and the offer you proposed must be good for you, so it must be bad for me. As a result, negotiators will often revise their preferences for outcomes in a negotiation and come to value a particular proposal less once it is offered by one's opponent (Curhan et al., 2004).

Thus, one reason that negotiators may arrive at erroneous conclusions about their counterparts' preferences is that, rather than seeking out information, negotiators make assumptions about what their counterparts value. However, even when negotiators inquire about their counterparts' preferences, they may still end up with inaccurate perceptions of their opponents' wishes due to a biased information search. Individuals often engage in a confirmatory information search, wherein they seek out information that would confirm their preexisting beliefs, while ignoring or not searching for information that would disconfirm their beliefs (Wason, 1960). Negotiators are likely to fall prey to this confirmatory evidence bias when assessing the preferences of their negotiation counterparts: A negotiator may make assumptions about her counterpart's preferences and then only ask questions of the counterpart designed to confirm that these original assumptions were correct. A study by van Kleef and De Dreu (2002) found support for the notion that negotiators engage in confirmatory information searches with regard to their opponents. The authors found that negotiators with a cooperative social value orientation, who generally assume that their counterparts will also be cooperative (De Dreu & Boles, 1998), were more likely to ask questions about their counterpart's intention to cooperate, whereas competitive negotiators, who assume that their counterparts will be similarly competitive, were more likely to ask questions about their counterpart's intention to compete. As a result, the negotiators believed that their counterpart shared the same social value orientation as themselves. Thus, even when negotiators seek out information about their
counterparts’ preferences, a biased information search may still lead negotiators to arrive at the erroneous conclusion that they share the same preferences as their counterparts.

Beyond the uncertainty that negotiators have about what their counterparts want, negotiators are also often uncertain as to why their counterparts have these preferences. As much of the research reviewed in this chapter suggests, negotiators’ desires and behaviors are frequently situationally determined. That is, although negotiators’ personalities undoubtedly play a role in shaping negotiations, the processes and outcomes of negotiations are substantially influenced by aspects of the bargaining context that affect negotiators’ perceptions and behaviors. Just as negotiators’ goals may be contextually determined, negotiators’ preferences are also likely to be shaped by situational factors (Thompson, 1990). However, individuals are generally not very good at understanding the situational forces that shape the behaviors of others and consequently attribute the behavior of others to their personalities or dispositions. This tendency to overweight stable personality characteristics and underweight social situations when explaining others’ behaviors has been termed the fundamental attribution error (Ross, 1977). Evidence suggests that negotiators, when assessing the preferences and behaviors of their counterparts, are likely to fall prey to this judgmental bias. In a series of studies, Morris and his colleagues (Morris, Larrick, & Su, 1999) demonstrated that negotiators’ preferences and behaviors in a negotiation are likely to be shaped more by their situation than their personalities but that their counterparts’ attribute their behavior more to the negotiators’ personalities than their situation. The authors found that the value of a negotiator’s alternative offer (a situational factor) was a better predictor of the negotiator’s hard bargaining, or haggling, tactics, than was the negotiator’s disposition, but that opponents were likely to attribute haggling behavior to the fact that the negotiator was an uncooperative or quarrelsome person. Similarly, the certainty of a negotiator’s alternative affected the negotiator’s tendency to waffle about his or her limits, such that negotiators with risky alternatives were more likely to be vague and inconsistent about their alternative options than negotiators with certain alternatives, but opponents attributed waffling behavior to traits of inconsistency or insincerity. Furthermore, these dispositional attributions affected the negotiators’ predicted future behaviors. Negotiators who faced an opponent with a high alternative (who was therefore perceived as disagreeable) were more likely to prefer that a third party handle any future disputes with that opponent, rather than negotiating with the opponent again. In addition, negotiators’ opinions about what jobs the opponent would and would not be suited for (the topic of the negotiation was a job candidate negotiating new employment) were affected by the opponent’s alternative. Negotiators who negotiated with an opponent with a valuable alternative were more likely to recommend their opponent for external bargaining roles (which required assertiveness and competitiveness) and less likely to recommend their opponent for a relationship manager role (which required positive interpersonal skills), due to the inferences that negotiators made about their opponents’ personalities.
Uncertainty About One’s Own Preferences  It is not entirely surprising
that negotiators experience uncertainty regarding their counterparts’ preferences.
After all, individuals have only indirect access to the thoughts and feelings of
another. What is more astounding, however, is that negotiators often experience
uncertainty about their own preferences in a negotiation. Some degree of prefer-
ence uncertainty may be unavoidable, since evidence suggests that individuals may
lack access to their own higher order cognitive processes (Nisbett & Wilson, 1977).
That is, individuals often lack self-knowledge in a variety of domains, including
their preferences, because they cannot access the mental processes responsible
for perception and attitudes (see Wilson & Dunn, 2004, for a review). Thus,
negotiators may either not know what they want out of a negotiation, or if they
do form preferences, they may be unable to introspect about why their preferred
outcomes are actually preferred. Above and beyond this limitation, a negotiator’s
preference uncertainty may also stem from inadequate planning, if negotiators
enter a negotiation without a thorough understanding of their relative preferences
for various issues in a negotiation.

Uncertainty about one’s own preferences can affect how negotiators interpret
proposals made during a negotiation. In the above-mentioned study by Curhan
and his colleagues (2004), they found that, in addition to devaluing offers made
by one’s opponent, negotiators also increased the value attributed to their own
offers. That is, after making a specific outcome proposal to one’s opponent, nego-
tiators preferred that outcome more than immediately before the proposal was
put on the table. Thus, the ambiguity that negotiators experienced regarding their
own preferences gave them psychological freedom to alter these preferences as
the negotiation progressed. Consistent with this explanation, the researchers found
that negotiators were less likely to ascribe greater value to the proposals they made
during the negotiation when they ranked their preferences for all possible outcome
packages before the negotiation commenced.

These two preference effects, devaluing offers made by one’s opponent and
increasing value attributed to one’s own offers, can create a barrier to the successful
resolution of conflicts. As Curhan et al. (2004) point out

If every offer made to resolve a conflict becomes more attractive to the party
offering it, and less attractive to the party receiving it, then the “gap” to be
bridged before a mutually acceptable agreement can be reached will be
widened rather than narrowed by the very process of negotiation. (p. 143)

If this were always the case, the preference uncertainty experienced by nego-
tiators would greatly impede their ability to reach negotiated agreements. Fortu-
nately, some remedies exist that may enable negotiators to bridge this psychological
gap between their offers and the offers of their opponents. As mentioned above,
the increased attractiveness of a negotiator’s own offers can be reduced when a
negotiator prerates all possible outcomes from the negotiation, suggesting that
preratination planning may be sufficient to eliminate this effect. Furthermore,
the devaluation of offers made by one’s counterpart has been shown to be reduced
by prenegotiation discussion, in which negotiators talk about their needs and priorities for a brief period before any offers are exchanged (Curhan et al., 2004).

UNCERTAINTY AFTER THE NEGOTIATION

With planning and preparation, negotiators can find strategies to deal with the goal and preference uncertainties that they experience during the negotiation and eventually arrive at mutually acceptable agreements. However, the uncertainty that negotiators experience generally does not end when the negotiation is completed. Regardless of the specific negotiation context, all negotiators, on conclusion of their negotiation, are usually left with the same question: Did I get a good deal? Determining if they got a good deal is another uncertainty that negotiators are motivated to resolve, and the ways that negotiators attempt to resolve this uncertainty are likely to have implications for their behavior in subsequent negotiations. Whether an individual chooses to negotiate with the same counterpart in the future, find a new counterpart, or avoid negotiating all together is likely to depend on the individual's perception of how he or she performed in the present negotiation (Barry & Oliver, 1996). In this section, we discuss the ways that negotiators attempt to determine if they obtained a good deal and the consequences of these strategies for negotiator satisfaction.

One obvious determinant of negotiator satisfaction should be the objective outcomes that negotiators obtain. Negotiators who achieve objectively better outcomes should feel better about their performance than negotiators who perform poorly (Gillespie, Brett, & Weingart, 2000), but this may not always be the case. For one, research suggests that individuals are not always able to forecast their emotional responses to events accurately, and consequently may overestimate the impact of future events, such as getting a good deal in a negotiation, on their happiness (e.g., Gilbert, Pinel, Wilson, Blumberg, & Wheatley, 1998; Gilbert & Wilson, 2000). Furthermore, negotiators may often lack sufficient information to evaluate their outcomes in objective terms, and as a result, negotiator satisfaction may be heavily influenced by negotiators' perceptions and assumptions about their negotiated outcomes. Consequently, negotiators' objective outcomes and their subjective evaluations of those outcomes often diverge; individuals who achieve objectively superior outcomes will frequently feel less satisfied with their performance than negotiators who achieve poorer outcomes (Galinsky et al., 2002a; Galinsky, Seiden, Kim, & Medvec, 2002b; Loewenstein, Thompson, & Bazerman, 1989; Oliver, Balakrishnan, & Barry, 1994).

The primary determinant of negotiators' satisfaction with their outcomes appears to be the particular social comparisons that negotiators make. That is, whether one is satisfied with a negotiation outcome will depend on the specific standard of comparison that a negotiator uses. As multiple social comparisons are likely to be available to a negotiator at any one time, two negotiators who achieve equivalent outcomes may experience differing levels of satisfaction based on the particular social comparisons that they invoke. Social comparisons generally take two forms: intrapersonal comparisons, in which individuals compare their
outcomes to some personal standard, and interpersonal comparisons, in which individuals compare their outcomes to the outcomes of other negotiators. Below, we discuss the factors that influence the types of comparisons that negotiators make, and the effects of these different comparisons on negotiators’ subjective evaluations of their outcomes.

Intrapersonal Comparisons During a negotiation, negotiators generate various points of reference, such as aspiration and reservation prices, which can serve as internal standards of comparison after the negotiation has concluded. As discussed earlier, the choice of which reference point to focus on can affect the outcomes that negotiators obtain: Galinsky et al. (2002a) found that negotiators who focused on their aspiration prices achieved significantly better outcomes than negotiators who focused on their reservation prices. However, these researchers also found that focusing on aspiration versus reservation prices resulted in opposite effects for negotiators’ satisfaction with their outcomes: Even though they achieved objectively better outcomes, negotiators who focused on their aspiration prices during the negotiation were less satisfied with their performance after the negotiation than negotiators who focused on their reservation prices (see also Conlon & Ross, 1993). One explanation for these effects is that different reference points generate different counterfactual thoughts in negotiators’ minds, or thoughts about what “might have been” (Kahneman & Miller, 1986). Negotiators who focus on their aspiration prices during a negotiation may be left with thoughts about how their outcome could have been better (if they had achieved their aspiration price), whereas negotiators who focus on their reservation prices may find themselves thinking about how their outcome could have been worse (if they had to settle for their reservation price).

The specific counterfactual thoughts that negotiators generate can be affected by their goal in a negotiation (i.e., whether they focus on their aspiration or reservation prices). These thoughts, and consequently the levels of satisfaction that negotiators experience, can also be affected by specific events that occur during the negotiation. For example, although negotiators often obtain better outcomes when they make the first offer in a negotiation (Galinsky & Mussweiler, 2001), they are generally unsatisfied when these offers are immediately accepted (Galinsky et al., 2002b). Negotiators often fear falling victim to the “winner’s curse” (Akerlof, 1970; Bazerman & Carroll, 1987), or the possibility that an item is not worth as much as the winner paid for it. When a negotiator’s first offer is immediately accepted, negotiators may worry that they have been plagued by the winner’s curse and generate counterfactual thoughts about how they may have done better in the negotiation. Across a series of studies, Galinsky and colleagues (2002b) found that, holding the outcome of the negotiation constant, negotiators whose first offers were immediately accepted generated more upward counterfactuals (i.e., thoughts about how the negotiator could have obtained a better outcome) and were less satisfied with their negotiation outcomes than negotiators whose first offers were accepted after a delay (during which the negotiator’s opponent made some calculations) or negotiators whose offers were accepted after several rounds of negotiation. Furthermore, the amount of counterfactual
activation that negotiators experienced influenced their behavioral intentions for future negotiations. Negotiators whose first offers were immediately accepted reported that they were less likely to make a first offer in a subsequent negotiation. Given that research has shown that making a first offer can result in a bargaining advantage for the negotiator making the offer (Galinsky & Mussweiler, 2001), this reluctance to make first offers in the future is a dysfunctional consequence of negotiators’ decreased satisfaction with their negotiation outcomes.

Interpersonal Comparisons  In addition to comparisons to a personal standard or referent, negotiators’ levels of satisfaction are also influenced by the interpersonal comparisons they make—comparisons to another negotiator. These interpersonal comparisons can take two forms: *internal* comparisons, in which a negotiator compares his outcome to the outcome of his negotiation counterpart (e.g., a car buyer comparing his outcome to the car dealer’s outcome); and *external* comparisons, in which a negotiator compares his outcome to other negotiators outside of the present negotiation (e.g., a car buyer comparing his outcome to his neighbor’s recent car purchase; Novemsky & Schweitzer, 2004). In forming internal interpersonal comparisons, negotiators may focus on the relative outcomes of the parties. Loewenstein et al. (1989) found that when comparing one’s own outcomes to those of one’s opponent, perceptions of relative gain were a bigger determinant of one’s satisfaction after a negotiation than the absolute value of the negotiated outcome. How well a negotiator performed did not determine satisfaction, but how well he or she performed in comparison to the negotiator on the other side of the table did. In assessing relative gain, negotiators can compare objective outcomes, if this information is available to both parties, but they can also use subtler cues to assess relative performance in cases where direct information is not accessible. For example, negotiators often use the emotions of their counterparts to judge their relative outcomes, and hence their satisfaction. Thompson and her colleagues (Thompson, Valley, & Kramer, 1995) found that negotiators felt more successful after their negotiation when they found out that their opponent was disappointed than when they found out that their opponent was happy, and that this effect was independent of negotiators’ actual performance in the negotiation. Additionally, the researchers demonstrated that this effect could be moderated by the relationship between the negotiating parties. Individuals who negotiated against a disappointed opponent felt more successful and satisfied with their negotiation outcome when their opponent was an out-group member than when their opponent was a member of their own in-group.

Thus, negotiators’ levels of satisfaction are influenced by comparisons to negotiators on the other side of the bargaining table, such that negotiators are more satisfied when these comparisons reveal that a negotiator gained a better outcome than his or her opponent. Interestingly, however, research has demonstrated that, regardless of how favorable the comparison is, internal comparisons generally reduce negotiator satisfaction compared to situations in which no internal social comparison information is available. Novemsky and Schweitzer (2004) found that negotiators who received favorable internal comparisons (i.e., they obtained a better outcome than their opponent) were more satisfied than negotiators who
received unfavorable internal comparisons (i.e., they obtained a worse outcome than their opponent), but that both favorable and unfavorable comparisons reduced negotiator satisfaction compared to a situation in which negotiators were given no information about how well their opponent performed. They suggest that this pattern emerges because negotiators generally assume, unless told otherwise, that they have claimed the entire surplus available in a negotiation. As a result, regardless of whether one did better or worse than one's opponent, all internal social comparisons are essentially unfavorable, unless negotiators find that they did indeed claim all of the surplus. Consistent with this prediction, Novemsky and Schweitzer found that negotiators are most satisfied as a result of internal social comparisons when they find that the outcome was equal to the opponent's reservation price (and hence the opponent gained no surplus).

External comparisons are the second form of interpersonal social comparisons, in which negotiators compare their outcomes to similar negotiators in other negotiations. Although the negotiations literature to date has paid relatively little attention to the role of external social comparisons in determining negotiator satisfaction, Novemsky and Schweitzer (2004) have begun to explore these types of comparisons. They find that, similar to internal social comparisons, negotiators are more satisfied with their negotiated outcomes when they receive favorable external social comparisons (e.g., a buyer of a rare coin discovering that she paid less than another buyer of a similar coin) than when they receive unfavorable external comparisons (e.g., the coin buyer discovering that she paid more than the comparable buyer). However, unlike internal social comparisons, favorable external comparisons generally increase negotiator satisfaction relative to situations in which no external comparison information is available, whereas unfavorable external comparisons reduce satisfaction from this baseline condition. The authors suggest that, unlike internal social comparisons, external comparisons do not necessarily trigger thoughts of foregone negotiation opportunities, and consequently negotiators are satisfied when they found that they outperformed a comparable negotiator in another negotiation, even if this comparable negotiator still received some surplus. Furthermore, the authors compare the effects of internal and external social comparisons on negotiator satisfaction, as well as the effects of negotiators' objective outcomes, and find that external social comparisons are the biggest single predictor of negotiator satisfaction. Thus, although work on external social comparisons in negotiations is just beginning, evidence to date suggests that external comparisons are a critical determinant of negotiator satisfaction, and consequently future research should be directed toward further understanding the determinants and consequences of such comparisons.

THE COSTS AND BENEFITS
OF NEGOTIATOR UNCERTAINTY

Our discussion thus far concerning the effects of uncertainty on negotiators' cognitions and perceptions has painted a rather bleak picture of negotiator behavior. We have highlighted research that has demonstrated that, among other things,
negotiators alter their negotiation strategies based on transient factors, such as their current emotional state (e.g., Forgas, 1998), make erroneous assumptions about their counterparts (e.g., De Dreu & Boles, 1998; Morris et al., 1999; van Kleef & De Dreu, 2002), and fail to have insight into their own preferences (e.g., Curhan et al., 2004). These findings may create the impression that the uncertainty inherent in negotiations is undesirable. Contrary to this conclusion, however, we suggest that the uncertainty inherent in the negotiation process is actually beneficial, and even necessary, for reaching optimal negotiation outcomes. Research on certainty and information processing has suggested that one’s level of certainty affects the way one processes information. When individuals experience a feeling of certainty, they may process information in a heuristic fashion and rely on well-developed associations, mental shortcuts, or rules of thumb to evaluate information and make decisions. In contrast, the experience of uncertainty may cause individuals to process information more deeply, or systematically. That is, when individuals experience uncertainty they may consider multiple alternatives or points of view more carefully, scrutinize information longer, and ask more probing and insightful questions (Chaiken, Liberman, & Eagly, 1989; Tiedens & Linton, 2001; Weary & Jacobson, 1997). Research from negotiation contexts suggests that systematic processing of information is a critical factor for achieving integrative, or mutually beneficial, negotiation agreements (e.g., Anderson & Neale, 2004; De Dreu, 2003; Thompson, 1991). When negotiators process information carefully, they are more likely to ask the right questions, listen to the answers, and uncover opportunities for mutually beneficial tradeoffs. Thus, uncertainty may facilitate the formation of integrative negotiation agreements because uncertainty may enhance systematic thinking, and systematic thinking, in turn, enhances negotiation performance.

Research conducted by Anderson and Neale (2004) is consistent with the assertion that uncertainty in negotiations may enhance negotiation performance. In this study, participants first engaged in a computer-mediated ultimatum bargaining game in which their counterpart (in actuality, a computer program) behaved very selfishly. Subsequently, pairs of participants engaged in a face-to-face negotiation between a job candidate and a recruiter. One member of each dyad was given some information about his or her opponent, designed to manipulate the focal negotiator’s level of certainty. In one condition (certainty condition), participants were led to believe that their opponent in the job negotiation was the same selfish individual they had negotiated with in the first negotiation. In another condition (uncertainty condition), participants were given no information about their opponent in the job negotiation, and consequently they were unsure if they were negotiating against the selfish opponent from the first negotiation or not. The researchers predicted that negotiators who felt certain of their opponent’s likely behavior would exhibit less cognitive complexity in their negotiation strategies (i.e., use fewer integrative and more distributive strategies) than negotiators who felt uncertain about their opponent. The authors also predicted that these strategic differences would influence the outcomes that the negotiators obtained: Certain negotiators, as a result of their heuristic information processing, were predicted to achieve outcomes of lower value than uncertain negotiators. The results of the
study supported these predictions. Negotiators in the uncertain condition demonstrated greater cognitive complexity in their prenegotiation strategies than negotiators in the certain condition, and dyads with an uncertain negotiator reached agreements of greater joint value than dyads with a certain negotiator. Furthermore, results of mediation analyses revealed that these differences in outcomes were partially mediated by the complexity of negotiators' prenegotiation strategies: Uncertain dyads achieved better outcomes than certain dyads due, in part, to the more complex information-processing strategies of the uncertain negotiators. Of course, this study raises additional questions that cannot be answered without further empirical research. For example, this study examines only one type of uncertainty, uncertainty about the malevolent motives of one's opponent. It remains an open question as to whether these findings would generalize to other types of uncertainties (e.g., goal uncertainties, preference uncertainties, etc.), and future research is needed to address these issues. However, the current research is consistent with the notion that uncertainty may be a necessary condition for the achievement of optimal negotiation outcomes.

We have argued that without some degree of uncertainty to motivate systematic information processing, negotiators are likely to settle on easy or obvious solutions, and avoid gathering information that would enable them to achieve a superior, mutually beneficial outcome. Yet, as the decision biases and heuristics documented in earlier sections of this chapter indicate, the presence of uncertainty alone is not sufficient to ensure that negotiators will engage in systematic information processing. In some cases, negotiators may address feelings of uncertainty by seeking out information that will enable them to resolve the uncertainty that they are experiencing. However, it is also possible that negotiators will react to uncertainty by refusing to seek out information, relying instead on assumptions and heuristics. Because the experience of uncertainty is likely to be aversive for most individuals, they are generally motivated to reduce this uncertainty as quickly as possible. One obvious strategy for reducing uncertainty is to employ heuristics, or mental shortcuts, than enable individuals to turn a complex problem into a simpler problem. Many of the biased perceptions that we have discussed in this chapter are simply effective ways of quickly reducing uncertainty. Heuristics such as the false consensus effect (Ross et al., 1977), the fixed-pie bias (Neale & Bazerman, 1991), and the fundamental attribution error (Ross, 1977) are all strategies that individuals employ to simplify their social world. It seems, then, that the effects of uncertainty on negotiated outcomes depends on whether negotiators respond to this uncertainty by becoming more vigilant and carefully processing all available information, or by shutting out information and relying mainly on mental shortcuts.

What, then, determines a negotiator's response to the experience of uncertainty in a negotiation? We suggest that the mechanism through which a negotiator manages uncertainty depends on the negotiator's available cognitive resources. Systematic information processing demands more cognitive energy than heuristic information processing, and consequently individuals will engage in systematic processing when cognitive resources are plentiful and heuristic processing when such resources are scarce (Dijker & Koomen, 1996; Gilbert & Hixon, 1991;
Gilbert, Pelham, & Krull, 1988). Thus, a negotiator's response to uncertainty should depend on his or her cognitive capacity; the greater the negotiator's mental resources, the greater the likelihood the negotiator will seek to reduce the experienced uncertainty by engaging in systematic information processing. A negotiator's cognitive resources, in turn, are influenced by a variety of dimensions. These resources are determined, in part, by the negotiator's disposition, and also by situational forces that increase or deplete the negotiator's cognitive energy. Below, we discuss three factors (need for closure, time pressure, and accuracy motivation) that should influence negotiators' cognitive resources, and hence their responses to uncertainty in negotiations.

Need for Closure  Kruglanski (1989) posits that individuals differ in their desire for types and amounts of knowledge, a dimension that he terms “need for cognitive closure.” Individuals high in need for closure are generally rigid in their thoughts and opinions, are quick to judge on the basis of incomplete evidence, and are generally cognitively impatient. Individuals low in need for closure are willing to entertain multiple interpretations or conflicting opinions, prefer to gather complete information before forming an opinion, and are more willing to suspend judgment. When encountering uncertainty, evidence suggests that high need for closure individuals will be more rushed to reduce the uncertainty and arrive at a decision, and will therefore use more heuristic processing strategies; whereas low need for closure individuals will be more content with postponing judgment until they have gathered a sufficient amount of information, and will therefore process information more systematically (Kruglanski & Webster, 1996; Maysells & Kruglanski, 1987; Webster & Kruglanski, 1994). These chronic differences in individuals' preferences for closure should affect their responses to uncertainty in negotiation contexts. High need for closure individuals, who engage in heuristic information processing, may be more likely to rely on heuristics and fall prey to the decision biases outlined in this chapter than low need for closure individuals, who are likely to engage in more systematic information-gathering strategies. To the extent that mutually beneficial negotiation outcomes are facilitated by information exchange, as research suggests (Thompson, 1991), low need for closure negotiators should be expected to achieve agreements of higher joint value than high need for closure negotiators.

Time Pressure  Negotiators' cognitive resources, and hence their information-processing strategies, may also be affected by the level of time pressure in the negotiation. Time is frequently a scarce resource in negotiations, and many negotiations take place under the shadow of a looming deadline. The time pressure that negotiators experience may be either real (e.g., a 2-hour time window in which to reach an agreement) or perceived (e.g., the feeling that one has very little time to accomplish the deal). Evidence suggests that time pressure, both real and perceived, can induce a situational need for closure that affects information processing. Kruglanski and Freund (1983) demonstrated that when real time pressure is high, individuals are more motivated to achieve cognitive closure and
process information more heuristically than under low time pressure, where need for closure is lower (Kruglanski & Freund, 1983). Research by De Dreu (2003) has extended this logic to a negotiation context and has also explored the effects of perceived time pressure on negotiator behavior. In a series of studies, De Dreu demonstrated that perceived time pressure in a negotiation affects negotiators' information processing strategies. Negotiators who perceived a high level of time pressure took less time to propose counteroffers and to reach final agreements reported less motivation to process information, made less persuasive arguments, and used more heuristics than negotiators who perceived less time pressure, even though all negotiators had the same amount of actual time to complete their negotiations. Furthermore, De Dreu found that these differences in information processing affected the quality of the outcomes that negotiators achieved. Negotiators who perceived high time pressure, and hence used more heuristic processing strategies, achieved agreements of significantly lower joint value than negotiators who perceived low time pressure and processed information more systematically (see also Carnevale & Lawler, 1986; Yukl, Malone, Hayslip, & Pamin, 1976).

**Accuracy Motivation**  Motivational differences may also play a role in determining negotiators' responses to uncertainty. Individuals differ in their accuracy motivation—or their desire to form accurate, rather than biased, judgments (Chaiken & Trope, 1999; De Dreu et al., 2000a). Differences in accuracy motivation may stem from dispositional preferences, or they may arise from situational constraints, such as one's level of accountability in a given situation (Lerner & Tetlock, 1999; Tetlock, 1992). These differences in accuracy motivation have been shown to affect individuals' information-processing strategies: In general, the higher one's level of accuracy motivation, the greater the likelihood that one will engage in systematic and thoughtful information processing (Petty & Cacioppo, 1986). Accuracy motivation has also been examined in negotiation contexts and has been found to reduce negotiators' reliance on simple heuristics and improve the accuracy of their perceptions (De Dreu et al., 2000a). Across a series of studies, De Dreu and colleagues found that negotiators who expected to have their negotiation behavior evaluated by an unknown third party (a manipulation intended to result in high accuracy motivation) were less likely to fall prey to the fixed-pie bias and also achieved outcomes of higher joint value than negotiators who did not expect such evaluation (and hence had a lower accuracy motivation).

**CONCLUSION**

The social cognition approach to negotiation aims to highlight the consequences of negotiators' perceptions and attributions for the processes and outcomes of negotiations. This perspective stands in contrast, but also complements, alternative approaches to the study of negotiation, such as traditional game theory approaches.
and the decision-making approach (see Bazerman & Chugh, chapter 2). Unlike the game theory approach, both the decision-making and social cognition approaches recognize that the negotiator is not always fully rational and often departs from rationality in predictable ways. However, unlike the decision-making approach, which focuses mainly on intrapersonal negotiator behavior (i.e., the decision-making processes occurring inside a negotiator’s head), the social cognition approach is, as the name implies, inherently more social and focuses on understanding interpersonal negotiator behavior (i.e., how a negotiator is affected by his or her counterparts and the negotiation context). Although these approaches make different assumptions about the underlying capabilities of negotiators and attempt to answer different questions through their empirical investigations, we see these theoretical approaches as adjacent pieces in a larger negotiation puzzle; take away any one piece and our understanding of the negotiation picture would be incomplete.

In our review of the social cognition perspective, we have suggested that one reason that negotiations are so influenced by the psychologies of the negotiating parties is that the uncertainty inherent in most negotiations makes negotiators susceptible to a variety of cues that shape their thoughts and behaviors. Some of these cues may be internal to the negotiator, such as stable personality traits or ephemeral emotional states, whereas other cues may derive from the external circumstances of the negotiation, such as the power relationship between the negotiating parties or an opponent’s behavior. The cues that negotiators rely on to shape their attributions and perceptions will likely change throughout the course of a negotiation, as negotiators encounter different forms of uncertainty at various stages of the negotiation process. Before and during a negotiation, negotiators may be unsure of what goal to pursue and how to assess their own preferences and the preferences of their counterparts. Subsequent to a negotiation, negotiators may be uncertain as to how to evaluate the quality of their negotiated agreement.

Although the uncertainty experienced by most negotiators leaves them vulnerable to a host of decision biases and perceptual errors, this does not imply that uncertainty is necessarily an impediment to the achievement of optimal negotiation agreements. On the contrary, we suggest that uncertainty is beneficial in negotiations, since it creates an opportunity for negotiators to provide and process information, which improves the quality of negotiated agreements (Thompson, 1991). The benefits or detriments of uncertainty will depend, then, on the degree to which negotiators capitalize on this opportunity to seek and share information. To the extent that negotiators can muster the necessary cognitive resources to resolve this uncertainty through systematic information processing, the experience of uncertainty should improve the quality of negotiators’ outcomes. However, if negotiators do not possess such capacity (because of individual differences or situational forces that constrain ability or motivation), uncertainty is likely to be resolved in heuristic fashion, and consequently negotiators are likely to develop biased perceptions, make erroneous inferences, and fail to capitalize on the full integrative potential of their negotiations.
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