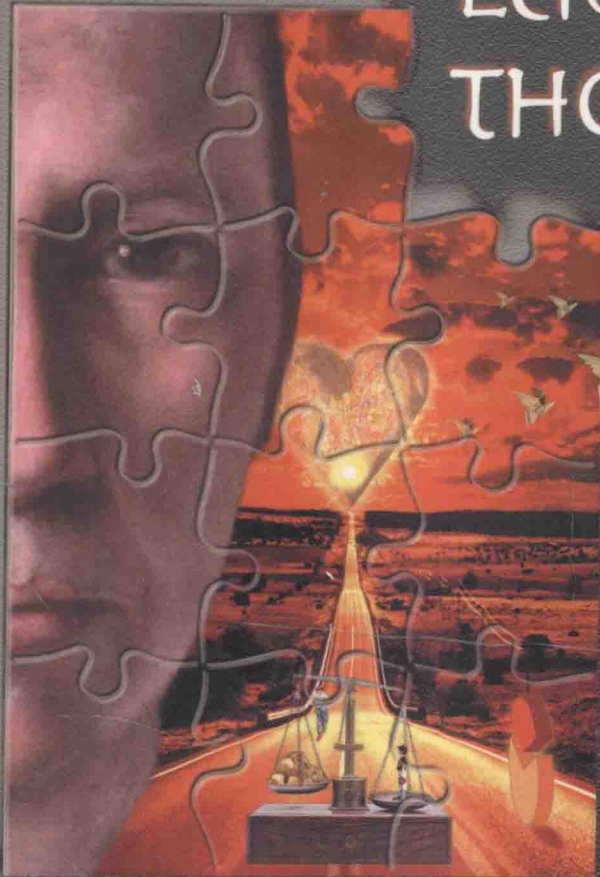


LEIGH
THOMPSON



SECOND
EDITION

THE MIND AND
HEART OF THE
NEGOTIATOR

SECOND EDITION
THE MIND AND HEART
OF THE NEGOTIATOR



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PREFACE TO THE NEW EDITION



When I wrote *The Mind and Heart of the Negotiator* in 1998, my intent was to introduce executives and managers to the lessons of social psychology as well as behavioral decision making for negotiation. Since the publication of the first version, I have attempted to improve upon not only the content of the book but its organization. My students and colleagues were delightfully to-the-point when suggesting changes that would improve the book. Therefore, I have made four major changes to the revised edition of *The Mind and Heart of the Negotiator*:

- **More case studies and real-life negotiations:** I have included many more examples and illustrations of negotiating in managerial and executive contexts. Each chapter opens with a case analysis (often from the business world, but I include other scenarios as well). Furthermore, many of the points in the chapters are supplemented with illustrations and examples drawn from actual negotiations, both contemporary and historical. I do not use these examples to prove a theory; rather, I use them to illustrate how many of the concepts in the book are borne out in real-world situations.
- **Skills-based approach:** I provide more practical take-away points for the manager and the executive. A good example is chapter 9, on groups and multiple parties. The previous version of this book provided a lens for examining multiple-party negotiations. This edition of the book provides practical advice for several different kinds of multiparty situations. Moreover, I include more practical advice in the chapters on pie slicing (distributive bargaining) and pie expanding (integrative negotiation).
- **New chapters and appendices:** By popular demand, I have included several new chapters in the book. There is a new chapter on negotiating style, which focuses on motivations, emotions, and disputing styles. There is also a new chapter on power and persuasion in negotiation, which focuses on rational as well as psychological influence tactics. I have also included a new chapter on creativity and problem solving, which brings in a lot of cutting-edge research from cognitive psychology in terms of how to think out-of-the-box. In addition to these three new chapters, I have expanded the sections on cross-cultural negotiation and information technology into their own chapters (in the previous version, these two chapters were combined). Similarly, I have developed two independent chapters focusing on preparation and distributive bargaining skills. I have also included four new appendices focusing on commonly asked questions about rationality, non-verbal behavior and deception, third-party mediation and arbitration, and how to negotiate a job offer.

- **New, updated research:** Perhaps most importantly, I have included the latest research on negotiator decision making and behavior, thus keeping the book up-to-date and true to its strong research focus and theory-driven approach.

I took the task of revising *The Mind and Heart of the Negotiator* very seriously. Every single paragraph in every single chapter went through a dramatic revision. I have benefited greatly from the advice, comments, and critiques given to me by my students and colleagues, and I hope that their advice keeps coming, so that I am able to improve upon the book even further.

PREFACE



Negotiation is a topic of great interest to executives, MBA students, undergraduates, consultants, lawyers, doctors, salespeople, social workers, realtors, engineers, nurses, administrators, and people in the public sector. I have taught negotiation skills to all of these groups. I am always struck by the commonality of concerns raised by participants. Many people want to know how to best leverage their power, reach “win-win” agreements, develop a comfortable negotiation style, and deal with multiple parties. There already are several wonderful books about negotiation in existence. Many of these books offer practical, prescriptive advice; many contain reviews of important negotiation studies. But there are few books that combine cutting-edge research with practical, prescriptive advice for negotiators. The purpose of this book is to provide executives and managers from all different kinds of industries with solid, research-based advice and practical tools.

This book has three unique features:

- 1. Rigorous, cutting-edge research:** All of the material in this book is produced by leading scholars in the broad field of negotiation and represents hard science, in the strict sense of the phrase.
- 2. Focus on skills:** The ultimate purpose of this book is to provide sound prescriptive advice for helping negotiators reach their negotiation goals. Thus, each chapter contains strategies and skills for improving negotiation effectiveness.
- 3. The mind and the heart:** This book not only contains practical advice based upon rational models of economic behavior, but it also contains practical advice based upon psychological insights about human behavior. The book’s title, *The Mind and Heart of the Negotiator*, reflects the dual focus of the book. It contains several sections in which managers and executives are invited to test their own rationality; it also contains several sections in which managers and executives explore insights about human behavior. Throughout this book, we maintain a balance of objective, rational analysis and insights about psychological behavior.

The Mind and Heart of the Negotiator separates fact from fiction and outlines—in a clear, step-by-step fashion—how young managers, as well as seasoned executives, can improve their ability to negotiate effectively. Each chapter opens with a case analysis (or two). The reader of this book will learn how to effectively prepare for negotiation, maximize his or her ability to expand the pie of resources in a negotiation (win-win negotiation), enhance his or her power in negotiation, sharpen his or her creative thinking about negotiation, assess and develop an appropriate negotiation style, effectively deal with multiple parties, navigate social dilemmas, learn strategies for negotiating across cultures, and learn how to negotiate via information technology.

The 12 chapters of this book are arranged into three major parts. Part I, “Essentials of Negotiation,” contains four chapters that are essential for the improvement of a negotiator’s ability to expand, and simultaneously slice, the pie of resources. Chapter 1 reviews the major myths about negotiation, the most common negotiator shortcomings, and the learning principles upon which this book is based. Chapter 2 teaches negotiators how to effectively prepare for a negotiation in terms of what information to assess about the other party and how to diagnose the situation they are in. Chapter 3 focuses on the distributive aspect of negotiation (which we call “slicing the pie”) and coaches negotiators on how to leverage their power within a negotiation. Chapter 4 is arguably the most important chapter in this book, focusing on how to achieve integrative agreements (also known as win-win agreements). It contains useful and practical strategies for expanding the pie and maximizing joint gain.

Section II focuses on “Advanced Negotiation Skills.” Chapter 5 teaches negotiators how to assess and develop their own negotiating style, outlining the major motives people bring to negotiation, the different emotional styles that negotiators adopt, and the different ways negotiators can approach dispute situations. This chapter has the dual function of serving as a “wake-up call” for negotiators and providing alternative strategies to add to their repertoire. Chapter 6 focuses on how to establish trust in a negotiating relationship. It reviews the major kinds of trust and types of negotiation relationships, focusing on the rational approaches to assessing and enhancing trust, as well as psychological approaches. Chapter 7 focuses on power and influence in a negotiation. It reviews the major bases of a negotiator’s power and how to improve upon them, as well as how to deal with power ploys launched by the opponent. Chapter 8 deals with creativity in negotiation. It challenges readers to assess their own creative and problem-solving skills, and then, in a step-by-step fashion, outlines methods for increasing your creative abilities at the negotiation table.

Section III focuses on “Applications and Special Scenarios.” Chapter 9 deals with groups and multiple parties at the bargaining table. It provides advice for navigating constituent interests, the formation of coalitions, and principal-agent relationships, among many others. Chapter 10 focuses on negotiation across cultures. It invites readers to assess their own cultural assumptions and provides them a method for assessing the cultural assumptions of other parties. It outlines the major shortcomings to effective cross-cultural negotiation and provides a step-by-step guide for improving the effectiveness of cross-cultural negotiation. Chapter 11 focuses on social dilemmas and situations in which negotiators have an incentive to compete against one another. The classic prisoner’s dilemma game is analyzed, and its multiparty equivalent, the social dilemma, is treated as well, with applications to real-world industries. Finally, chapter 12 focuses on negotiating via information technology. We introduce a place-time model of social interaction and discuss the advantages, as well as the pitfalls, of negotiating in impoverished media.

We have also included four special appendices in this book. Appendix 1 invites negotiators to examine the rationality of their own behavior and thinking. Appendix 2 provides a short course on nonverbal skills and lie detection. Appendix 3 provides guidance for third-party intervention (namely, mediation and arbitration). Finally, appendix 4 provides tips for negotiating a job offer.

Each of the chapters includes three learning aids in addition to the regular text: (1) real-life examples from actual people and companies as chapter-opening cases; (2) sidebars (lively examples and notes of interest for the hungry reader); and (3) figures, tables, and boxes for summarizing key points and illustrating concepts.

The research and ideas in this book come from an invaluable set of scholars in the fields of social psychology, organizational behavior, sociology, negotiation, and cognitive psychology. During the past 13 years, my research, thinking, and writing has been enriched in very important ways by the following people: Wendi Adair, Linda Babcock, Max Bazerman, Terry Boles, Jeanne Brett, Susan Brodt, Karen Cates, Gary Fine, Craig Fox, Adam Galinsky, Dedre Gentner, Robert Gibbons, Kevin Gibson, James Gillespie, Rich Gonzalez, Deborah Gruenfeld, Reid Hastie, Peter Kim, Shirli Kopelman, Rod Kramer, Laura Kray, Terri Kurtzburg, John Levine, Allan Lind, George Loewenstein, Jeff Loewenstein, Deepak Malhotra, Beta Mannix, Vicki Medvec, Dave Messick, Terry Mitchell, Don Moore, Michael Morris, Keith Murnighan, Janice Nadler, Robin Pinkley, Ashleigh Rosette, Nancy Rothbard, Vanessa Seiden, Harris Sondak, Tom Tyler, Kathleen Valley, Leaf Van Boven, Kimberly Wade-Benzoni, Laurie Weingart, and Judith White. In *The Mind and Heart of the Negotiator*, I use the pronoun “we” because so much of my thinking has been influenced and shaped by this set of eminent scholars.

A number of people read the book in an earlier form and provided very helpful comments. In particular, I am deeply indebted to Jeanne Brett and Karen Cates of the Kellogg Graduate School of Management and John Darley of Princeton University for their insight and advice. The following outside reviewers wrote detailed comments that had the most impact on the revision: Laura Kray, University of Arizona; Edward Bergman, University of Pennsylvania; Douglas Benton, Cal State University; Ann Bartel, Columbia University; Roger Mayer, Baylor University; and Sheryl Ball, Virginia Tech.

The revision of this book would not have been possible without the dedication, organization, and editorial skills of Rachel Claff, who created the layout, organized hundreds of drafts, mastered the figures, and researched many case studies for this book.

I completed this book while I was at the Kellogg School of Management, a place whose spirit is motivating, energizing, and inspirational. I feel honored to live and work in the midst of so many great people, and I am indebted to Dean Don Jacobs, the Kellogg Teams and Groups Center, and the Dispute Resolution Research Center for their generous support of this book. I am particularly indebted to Jeanne Brett and Max Bazerman, who had the vision to establish the Dispute Resolution Research Center (DRRC) at Kellogg in 1985, and to the Hewlett Foundation, for their generous support of the DRRC.

Grants from the National Science Foundation’s Decision Risk and Management Science program have made it possible for me to conduct several of the research studies that I discuss in this book. I am also grateful for a grant received by the Citigroup Research Council, which made possible many of the studies about learning and negotiation reviewed in this book.

This book is very much a team effort of the people I have mentioned here, whose talents are diverse, broad, and extraordinarily impressive. I am deeply indebted to my colleagues and my students, and I feel grateful that they have touched my life and this book.

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