GROUPS AT WORK:
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Negotiation Within and Between Groups in Organizations: Levels of Analysis

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Groups are the building blocks of organizations (Aucosa, 1987; Hackman, 1987; Kramer, 1991; Thompson, 2000). As a central structure of organizations, groups play an increasingly important role in the development, planning, and production of organizational services and products. For an organization to be effective and competitive, the groups that comprise it must be effective. However, organizational groups face a number of challenges that threaten effective functioning. Members of groups in organizations often have disparate interests and objectives, which can lead to conflict. Organizational productivity, personal satisfaction, and interpersonal harmony all hinge on the effective resolution of conflict among organizational actors.

The increasing use of decentralized organizational structures moves the control and regulation of conflict from higher levels of management to the group. Group members may use any number of means of resolving conflict, ranging from inaction, withdrawal, and absenteeism to aggression, ostracism, and threats. In this chapter, we focus on an increasingly common and especially important means of resolving conflict between organizations and within decentralized organizational structures: negotiation, a joint decision-making process by which interdependent parties mutually allocate scarce resources.

The term "group negotiation" has been used in reference to a number of different types of activities among and between organizational actors. It has been used to describe the interaction of organization members oper-
ating as a negotiating team (e.g., O'Connor, 1996; Thompson, Peterson, & Brodi, 1996), the effects of social identity among group members negotiating in the context of other groups (e.g., Kramer, 1991) and the interactions among several interdependent principals in which coalitions can form (e.g., Weingart, Hyde, & Prietula, 1996). Unfortunately, this generous use of the term has led to conceptual confusion. The goal of this chapter is to provide a tool for analyzing negotiation within and between organizations that isolates distinct dynamics within and between groups in organizations. Section II introduces this analytical framework, which begins with the behavior of individuals, expands to consider dyads, then multiparty ("polyad") dynamics, intermediaries and collateral relationships, intragroup dynamics, and finally intergroup dynamics. Our central premise is that group negotiations may be analyzed from any or all of these perspectives. Section III presents a brief overview of the decision analytic approach to negotiation (e.g., Raiffa, 1982). The approach in this chapter is primarily descriptive in nature, with a special attention to factors that can thwart the effectiveness of negotiators. Section IV discusses obstacles to the efficient resolution of conflict at each level of analysis. Attention to these factors will suggest how negotiation situations may be structured to promote more desirable outcomes. Section V summarizes the levels of analysis approach and offers some conclusions.

II. LEVELS OF ANALYSIS

Negotiations within and between organizations are embedded in an intricate web of interdependent relationships and interests. The level of analysis is the lens through which one scrutinizes a negotiation. It determines the aspects of the interaction to which one attends and the aspects that one neglects. For example, by restricting one's attention to the principals in a dispute, the influence of peripheral players may be ignored; by treating a negotiation team as a homogeneous entity, important aspects of the social interaction within the team may be overlooked.

Just as a complete understanding of human anatomy requires analysis at the levels of cell chemistry, tissues, organs, and organ systems, a complete understanding of negotiation within and between organizations requires analysis at several levels. In this chapter we identify and describe seven levels of analysis, as depicted in Fig. 8.1: the individual, the dyad, the polyad, the third party intermediary, collateral relationships, the intragroup, and the intergroup. These seven levels of analysis parse the social context common to virtually all group negotiation situations.

The basic level of analysis is that of the individual. An understanding of the beliefs and values of the individual negotiator provides a founda-
tion for understanding dyadic processes. In turn, an understanding of dyadic processes in negotiations is essential for examining multiparty dynamics. Each successive analysis provides new insights into the dynamics of a negotiation, providing breadth of understanding without compromising precision. Obviously, an analysis of all seven levels is not always feasible for the researcher, who may focus on a particular phenomenon of interest. However, an awareness of all levels of analysis may remind the researcher of factors that have been neglected and suggest promising avenues for follow-up research.

We acknowledge that various researchers and practitioners have different goals when analyzing negotiations. In particular, they may be interested in understanding what constitutes rational negotiation (normative

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1 Others have taken a similar approach, although usually on a smaller scale. For example, in their classic treatment of groups, Kelley and Thibaut (1969) examined dyadic processes as a basis for developing a theory of triads.
analysis), how people actually negotiate (descriptive analysis), or how people can improve their negotiation process and outcomes (prescriptive analysis). For those interested in what constitutes rational behavior, normative analysis at each level will be the first and final step. For those interested in predicting how people actually negotiate, normative analysis is necessary because it provides a yardstick against which one can detect and measure departures from rationality observed at each level. For those interested in improving negotiation, normative analysis is required to discover what constitutes an "optimal" outcome, and descriptive analysis is required to discover common barriers to achieving such outcomes. Hence, descriptive analysis relies on normative analysis, and prescriptive analysis relies on both normative and descriptive analysis. Whether one's interest is normative, descriptive, or prescriptive, we argue that all applicable levels of analysis should be considered.

The Levels of Analysis Approach: An Illustration

To introduce the seven levels of analysis depicted in Fig. 8.1 and to illustrate how the levels of analysis approach may be applied to an interorganizational dispute, consider the following example:

Film Gate (FG), a new television production company, pitched a number of ideas for one-hour television specials to the three major networks. The executives at ABC liked one of the ideas and began negotiations with FG to develop the series. Because FG had never produced a network special, ABC insisted that FG coproduce the special with Tri-Color (TC), an experienced television production company. Both FG and TC were represented by the same Hollywood agent (HA); in fact, TC was one of HA's largest and most established clients.

The FG negotiating team was composed of the president, chief financial officer, and head of production. Privately, each member of the team found the prospect of working with TC aversive. After some discussion the team was staunchly opposed to the plan. However, because there was no obvious alternative they proceeded to negotiate. The key issues to be addressed were: (1) credit for the program as listed in the titles; (2) monetary compensation; and (3) the option of follow-up programming with ABC. FG was most concerned with credit and the option of future programming so that they could establish a reputation within the industry. However, FG felt pressure to please their major shareholder (SH) in the negotiations. SH was most concerned with the short-term profitability of FG, and was unwilling to continue staking FG unless it would show a profit in the near future. FG

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2For further discussion of descriptive, normative, and prescriptive interactions in decision making, see Bell, Raiffa, and Tversky (1988).
3We are indebted to Alan Fox for providing the details of this negotiation.
decided therefore that money would be as important as credit in the negotiation with ABC and TC.

Working through HA, the three principals (ABC, FG, and TC) arrived at a deal that gave top billing and generous compensation to FG. However, HA later sent a memo to ABC stating that the production would be credited to "TC in association with FG," and that ABC’s future options would be exercised, if at all, solely through TC. FG was infuriated by HA’s apparent betrayal, and found a new agent. Furthermore, FG threatened to sue HA; this threat proved ineffective, as both FG and HA were convinced that a jury would side with them. Finally, FG explored the possibility with ABC of collaborating with Unicorn Productions (UP), another established production company. In light of this development, HA and TC relented and the deal went through under the original terms.

Analysis

The first step in the analysis of this complex negotiation is to identify the parties, the roles they play, and the structure of their relationships, as illustrated in Fig. 8.2. There are four types of parties in negotiations: principals, intermediaries, collaterals, and group members. Each party may be an individual or a monolithic group of individuals that acts as a single unit, with the same values and beliefs (cf. Raiffa, 1982). Of course, individuals comprising a group seldom act as one; however, it will be convenient at some levels of analysis to treat them as if they do, and postpone an exploration of the within-group heterogeneity and interactions for other levels of analysis.

![Diagram](image-url)

**FIG 8.2.** Film Gate negotiation structure.
The most fundamental party is a principal in a dispute (P in Fig. 8.1). A principal is a party with a direct stake in the outcome of a negotiation and at least some influence in its process. In our example, there are three principals: Film Gate, ABC, and Tri-Color. Additionally, Unicorn Productions is a potential principal.

An intermediary (I in Fig. 8.1) is a party who serves as agent or intervenes in some way between two or more principals. An intermediary usually has some stake in the outcome (e.g., a real estate agent earns a commission on the sale of a home); however, it is the perceived conflict of interests of the principals that motivates negotiation. In the present example, the Hollywood Agent acts as an intermediary between Film Gate and ABC, and also between Tri-Color and ABC.

A collateral party is ostensibly on the "same side" as a principal, but exerts an independent influence on the outcome through the principal. We distinguish three varieties of collateral parties: A superior is a party with some authority over a principal and to whom the principal is accountable; a subordinate is a party over whom the principal has some authority and for whom the principal is responsible; a constituent is a party whom the principal has been selected to represent—that is, for whom the principle is responsible and to whom the principal is accountable (these collateral parties are represented by the letter C in Fig. 8.1). In our example, Film Gate has a collateral relationship with their major shareholder, who acts in some ways as a superior.

Finally, a group member (M in Fig. 8.1) is a party within a multilithic group. Each member of the group might have different values and beliefs, but ultimately they must act in concert with other members as a decision-making unit. In our example, Film Gate is represented by a three-member negotiating team consisting of the president, the chief financial officer, and the head of production.

The second step in our approach is to undertake a normative, descriptive, and/or prescriptive analysis at each of the seven levels depicted in Fig. 8.1. We now discuss some descriptive aspects of the Film Gate negotiation at each level of analysis.

_Individual Level._ The most basic level of analysis is that of the individual within an organization. An individual level analysis examines the beliefs and preferences of each party, and the way in which parties act on the basis of these judgments. For example, a well-known phenomenon in the behavioral decision-making literature is the tendency for losses to be more painful than forgone gains (Kahneman & Tversky, 1979). After the initial verbal agreement, Film Gate assumes that they will receive top billing and a generous sum of money; the proposed changes would be viewed as a loss relative to this reference point. An analysis of the individuals comprising the
Film Gate team predicts that they will bargain more aggressively for top billing than they would have had this been the initial offer.4

**Dyad Level.** With an understanding of the individual negotiators' decision-making processes, we can proceed to a simple situation in which one party interacts with another. This is the level of the dyad, which includes a normative analysis of potential agreements, as well as a descriptive treatment of cognitive biases specific to negotiations, emotions, power, fairness, relationships, emotions, and social influence tactics. In the present example, the threat of a lawsuit by Film Gate is ineffective, as both Film Gate and the Hollywood Agent are convinced that they would prevail if such a case went to court. This is consistent with the egocentric bias phenomenon, in which parties in a dispute tend to overestimate, on average, the degree to which a neutral third party will agree with their position (Babcock, Loewenstein, Issacharoff, & Camerer, 1995; Thompson & Loewenstein, 1992).

**Polyad Level.** The involvement of more than two principals in this negotiation complicates the interaction enormously. As the number of principals increases, social interactions become more complex, information-processing demands increase exponentially, and coalition formation becomes a possibility. These issues are explored at the level of the polyad. A polyad analysis explores social dilemmas, and how the communication network and potential synergies within an environment affect the coalitions that are likely to develop. In our example, a consortium will include Film Gate, ABC, and either Tri-Color or Unicorn Productions. Film Gate successfully pressures Tri-Color to concede on the terms of the agreement by dramatizing the realistic alternative of collaborating with Unicorn Productions.

**Intermediary Level.** A third party may intervene in a dispute between two principals. The third party may serve as an agent, mediator, arbitrator, adjudicator, or a combination of these roles. Also, the press may play a role by stirring up sentiment in a public dispute. Analysis of intermediaries includes a treatment of principal-agent issues, an evaluation of various forms of alternative dispute resolution, and the effects of media involvement. In our example, intermediary analysis might explore the conflicts of interest that the Hollywood Agent experiences by simultaneously representing two production companies in the negotiations with ABC. In particular, the longer standing and more lucrative relationship with Tri-Color leads the agent to place the interests of that company ahead of the interests of Film Gate.

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4In addition to loss aversion, the tendency to be risk seeking when facing losses of moderate probability would predict aggressive bargaining here (Kahneman & Tversky, 1979).
Collateral Relationship Level. When a negotiating party is embedded within an organization, there are often several peripheral players ostensibly on the same "side" who have an indirect stake in the outcome and influence the negotiation process through the principals. An analysis of collateral relationships examines the relationship between parties and their superiors, subordinates, and constituents. In our example, Film Gate is accountable to the major shareholder, who is ostensibly on their side, but who has interests of her own. The shareholder's strong expressed interest in short-term profitability leads Film Gate to weigh the issue of financial compensation more heavily than they otherwise would have in this negotiation.

Intragroup Level. Intragroup analysis examines the benefits and shortcomings of teamwork, and the influence that individuals exert on group decisions. In our example, Film Gate is represented by a negotiating team of three people. Although these individuals must operate as a decision-making unit, they each have disparate interests and exert a unique and not necessarily symmetric influence on the team. In our example, the Film Gate negotiating team is more averse to collaboration than is the average member of the team itself, consistent with the group polarization effect (Isenberg, 1986).

Intergroup Level. When members of a particular organization or division negotiate in the presence of another organization or division, group identification becomes salient. The intergroup level of analysis examines the effects of social identity on the negotiation process and outcomes. Each of the key players identifies with his or her organization and regards other players to be outgroup members. The identification of ingroups and outgroups often leads to the ingroup bias effect, where members of outgroups are negatively compared with ingroup members. For example, Film Gate considered Tri-Color to be competitive and untrustworthy. Further, once an ingroup and an outgroup is established, people tend not to distinguish individuals but rather, make group-level attributions.

We have only explored a few descriptive aspects of the Film Gate negotiation. We argue that all levels are necessary to fully understand the dynamics of this dispute. For example, had we restricted our analysis merely to the level of the interaction between the principals, we would have failed to detect the conflict of interests of the Hollywood Agent and the role of group polarization and outgroup stereotyping in Film Gate's reluctance to work with Tri-Color. Had we focused instead on the intergroup processes, we would have failed to understand the role of framing in Film Gate's aggressive bargaining position and how egocentric bias could render the threat of a lawsuit ineffective.
8. GROUP NEGOTIATION

Strengths and Limitations of the Levels of Analysis Approach

The levels of analysis approach to group negotiation in organizations has several advantages. First, it provides a systematic means of organizing one’s thinking about a particular dispute and can aid the researcher or practitioner in understanding the nature of the problem in its full structural context. In this sense, the levels of analysis approach provides both a micro and a macro understanding of negotiator behavior. Second, it provides an efficient method for investigating the causes of conflict and the potential consequences of various courses of action. Third, this framework organizes the research literature around structural themes. Currently, there is no overarching model of group negotiation; we believe our approach integrates the vast majority of research relevant to negotiation. Finally, by providing a means of understanding the structure, dynamics, and research literature relevant to a particular negotiation, the levels of analysis approach may facilitate the discovery of prescriptions for resolving disputes within and between organizations.

Of course, the levels of analysis may sometimes be difficult to apply. First, there will sometimes be overlap between levels of analysis. For example, a superior can act as a mediator in an intraorganizational dispute—thus acting as both a collateral party and an intermediary. Second, our mapping of the research literature onto distinct levels of analysis is somewhat subjective. For example, we discuss generic cognitive biases at the level of the individual, but we discuss biases of negotiator cognition (i.e., biases in the perception of one’s counterpart) at the level of the dyad. Finally, although the levels of analysis approach may provide a comprehensive understanding of a particular negotiation, it may not be practical to attend to all levels of analysis simultaneously in designing most empirical studies.

III. THE DECISION ANALYTIC APPROACH TO NEGOTIATION

To understand the negotiation process and evaluate negotiated outcomes, it is necessary to abstract key features common to all negotiations from a normative perspective. An understanding of these basic features seldom allows us to prescribe a single, "correct" or optimal division of resources, but it does allow us to evaluate the efficiency of a negotiated outcome and determine how a settlement might be improved for all parties (for more extensive treatments, see Raiffa, 1982; Neale & Bazerman, 1991; Thompson, 1998).
Key Elements of Negotiation

The key elements of a negotiation situation include the principals, the issues, the principals' interests, their beliefs about future states of the world, the communication that occurs among principals, and the outcomes of the negotiation (see Thompson & Hastie, 1990, for a more complete discussion).

The issues are the resources to be divided or items to be agreed upon. For example, a commercial lease negotiation might include discussion of rent to be paid, the duration of the lease, and improvements to be made by the landlord.

The interests of parties are the underlying values that are being served. The parties' interests determine their preferences for the issues in question, and their priorities among these issues. For example, a tenant's interest in a commercial property is to have a profitable business. This may manifest itself as a preference for lower rent and more improvements. The landlord is also interested in profit. Hence, she may prefer higher rent and fewer improvements. Both parties might prefer a longer lease. In terms of priorities, the tenant might be most interested in improvements; the landlord might be most interested in rent.

Often the desirability of a particular agreement hinges on the parties' disparate beliefs about future states of the world. For example, commercial leases often include clauses in which the tenant agrees to pay the landlord a fixed percentage of sales exceeding a particular level. Obviously, each party's forecast will influence his or her perception of the attractiveness of such a clause.

In most negotiation situations, people do not have complete, perfect information concerning the interests of the other parties. People may exchange information about their interests, but they may not ultimately verify, with certainty, the other person's preferences. The communication that occurs among negotiators may be restricted or unrestricted and may either be direct or filtered through one of many organizational gatekeepers. For example, the landlord and tenant might discuss terms in person, over the phone, via electronic mail, or through an agent.

Finally, a critical element of negotiation is the outcome. Negotiations may end in mutual agreement or impasse. Mutual agreements may be evaluated in terms of their joint profitability and in terms of the individual parties' outcomes.

Bargaining Zone

One of the most important questions to address in any dispute situation is whether an agreement is feasible. In other words, is it possible for parties to reach a settlement, and is it wise for them to do so? The answer to this ques-
tion depends on the reservation point of each principal; that is, the least desirable outcome that is acceptable (Raiffa, 1982). A party’s reservation point is based on their best alternative to a negotiated agreement, also known as their BATNA (Fisher, Ury, & Patton, 1991). The overlap among principals’ reservation points determines what is called the bargaining zone, or zone of possible agreement (Raiffa, 1982). Hence, the possibility of a settlement is equivalent to the existence of a positive bargaining zone.

Consider a negotiation situation between a sales group and a distributor. The sales group has determined that the lowest price they will sell their product to the distributor is $3 per unit; the distributor has determined that the highest price at which they are willing to purchase the product is $3.10 per unit. In this case, the bargaining zone is positive: Any price settlement between $3 and $3.10 per unit is viable and it is in both parties’ interests to reach an agreement.

**Distributive and Integrative Dimensions**

The bargaining zone only tells us if it is possible for parties to agree. It does not pinpoint which agreement will be reached. Obviously, it is in each party’s interest to reach a settlement that is closer to the other party’s reservation point and further from their own reservation point. The *distributive* dimension of negotiation refers to how parties allocate fixed resources among themselves.

Most negotiation situations involve multiple issues for which the principals hold different priorities. In this case, there exists an *integrative* dimension, which is the total amount of resources that parties identify or create. Most negotiation situations are not purely fixed sums. Through a variety of mechanisms, people can expand the total amount of resources to be divided (see Thompson, 1998).

Negotiated outcomes may be assessed in terms of their efficiency, which is a measure of the extent to which all possible resources were utilized. An outcome is deemed *pareto efficient* if none of the parties can be made better off without making at least one other party worse off. It is often in the best interests of the principals to continue to search for pareto-improving outcomes by negotiating “post-settlement settlements” after a mutually acceptable agreement has been reached (Bazerman, Russ, & Yakura, 1987; Raiffa, 1982).

**An Example**

To illustrate the notion of creating resources in integrative bargaining, consider the following example. Three managers in an organization, Abbott, Barnes, and Costello, have a stake in the allocation of three scarce organiza-
tional resources: computer equipment, network communications, and secretarial assistance. Presumably, each manager would prefer to have most of the available resources in all three areas. Obviously, it is not possible for all three managers to achieve this. One potential resolution to the conflict is to allocate each manager one-third of the available resources in these areas. However, suppose that the three managers have differing preferences for the organizational resources: Abbott has pressing computer needs, Barnes has immediate network needs, and Costello is in dire need of secretarial support. A more efficient solution would be to allocate Abbott the computer resources, Barnes the network abilities, and Costello the secretarial support. Thus, by assessing each party’s underlying interests, a resolution is reached that all parties prefer to the compromise agreement.

Expanding the amount of resources to be divided serves a number of useful purposes. First, it means that people get more of what they want and are therefore more satisfied. Second, it makes it more likely that the outcome will exceed the principals’ reservation points so that an impasse can be avoided. Third, it means that resources are not unnecessarily wasted. Two fundamental questions for the scholar interested in group conflicts in organizations are whether integrative agreements are possible, and if so, how they may be achieved.

We believe that integrative agreements are possible in virtually all organizational disputes because parties seldom have completely opposed interests on all of the issues to be negotiated. Furthermore, it is unlikely that parties have the same risk preferences and beliefs about the future. These differences in beliefs, interests, and attitudes provide the potential for the development of integrative agreements. There are several means to expand the pie of resources besides making tradeoffs. For example, parties can bring additional resources to the negotiating table or find creative ways to address underlying interests that may not be included among the issues formerly under discussion (cf. Lax & Sebenius, 1986; Pruitt & Carnevale, 1993). The question is seldom whether it is possible for parties to reach integrative agreements, but how much value may be added.

IV. DESCRIPTIVE FEATURES OF NEGOTIATION
IN ORGANIZATIONAL GROUPS

Using the levels of analysis framework we introduced earlier, we now consider the key challenges and obstacles that negotiators face when attempting to resolve disagreements efficiently. We begin at the level of the individual and work our way up the hierarchy. Our review highlights what we believe to be some of the most important themes in the research literature; it is not meant to represent an exhaustive summary of this research.
Individual

The analysis of groups interacting in an organizational setting begins with an examination of the judgment and decision-making process of the individuals that comprise those groups. People's beliefs about potential consequences of their actions and the value that they place on those consequences determine how they choose among options. The classical economic model of decision making under uncertainty (Savage, 1972; von Neumann & Morgenstern, 1947) assumes that people form internally consistent beliefs and choose among options in a way that maximizes their self-interest and does not depend on the way in which those options are described. Modern behavioral decision theory, however, has documented severe and systematic violations of these assumptions in individual behavior (see e.g., Camerer, 1995). Several of these judgment and decision-making biases have important manifestations in the negotiation process (for an overview, see Neale & Bazerman, 1991, chap. 3). We briefly describe three of the most pervasive biases: anchoring, positive illusions, and framing effects.

**Anchoring.** When people judge an uncertain quantity with which they have little familiarity, they often begin with a salient, focal value and adjust from there. Because they are "anchored" on this focal value, people tend to make insufficient adjustments. For example, Kahneman and Tversky (1974) asked people to judge the percentage of African countries that were members of the United Nations. The experimenters spun a "wheel of fortune" to determine a threshold number, and asked respondents if they thought the true number was above or below that value. Next, participants were asked to estimate the true percentage. Despite the fact that the focal number was apparently determined at random and therefore completely nondiagnostic of the true number of countries, responses were dramatically influenced by the starting point. When the number from the wheel was 10, the median guess was 25%, whereas when the number from the wheel was 65, the median guess was 45%. Similarly, Northcraft and Neale (1987) asked experienced real estate brokers to report the lowest price they would accept for a house if they were selling, and the investigators found that they could influence responses by manipulating the alleged listing price: Higher listing prices resulted in higher reservation prices.

Negotiations in organizations often require parties to judge uncertain values. What is a fair amount to compensate an employee who was wrongfully terminated? What is the value of a joint venture with another company? How long should it take to complete a construction project? Often, past precedents serve as anchor values; other times, a shrewd negotiator will exploit his or her counterpart's lack of knowledge by anchoring on an extreme initial offer.
Positive Illusions. Positive illusions refer to the fact that most people consider themselves to be "above average" and more likely to fall into good fortune compared to others (Taylor & Brown, 1988). For example, people tend to overestimate the probability that their predictions are correct, at least for items of moderate to extreme difficulty (see Lichtenstein, Fischhoff, & Phillips, 1982). Overconfidence can inhibit negotiated settlements because if parties are overoptimistic that they can secure a favorable outcome, they may set extreme reservation points. Indeed, Neale and Bazerman (1985) found that overconfident negotiators were less concessionary and completed fewer deals than well-calibrated negotiators. Also, in final-offer arbitration, negotiators consistently overestimated the probability that their offer would be favored by the arbiter (Bazerman & Neale, 1982; Neale & Bazerman, 1985).

Another variety of positive illusions is the tendency to maintain overly positive views of one's own attributes and motives. For example, most people think that they are more intelligent (Wylie, 1979) and better drivers (Svenson, 1981) than others. Similarly, 94% of university professors believe that they do a better job than their average colleague (Cross, 1977). More to the point, most negotiators believe themselves to be more flexible, more purposeful, more fair, more competent, more honest, and more cooperative than their counterparts (Kramer, Pommerenke, & Newton, 1993). Obviously, such self-enhancing views can inflate expectations and inhibit negotiated settlements.

Framing Effects and the Psychology of Value. The classical theory of decision making assumes that the value that a person attaches to an outcome is a function of its impact on his or her state of wealth and should not vary as a function of the way in which the outcome is described. Modern behavioral decision theory, however, has documented systematic violations of this assumption (see, e.g., Kahneman & Tversky, 1984). In particular, prospect theory (Kahneman & Tversky, 1979; Tversky & Kahneman, 1992) assumes that people adapt to their present state of wealth and are sensitive to changes from that endowment. Second, prospect theory suggests that people exhibit diminishing sensitivity to both gains and losses. For example, receiving an initial $100 is more pleasurable than receiving a second $100 in addition to the first; in other words, receiving $100 brings more than half as much pleasure as receiving $200. Similarly, paying an initial $100 is more painful than paying a second $100; in other words, paying $100 brings more than half as much pain as paying $200. One key implication of this pattern is that people prefer to receive $100 for sure rather than face a 50–50 chance of receiving $200 or nothing (i.e., they are risk averse for medium probability gains); however, they prefer to risk a 50–50 chance of losing $100 or losing nothing to losing $200 for sure (i.e., they are risk seek-
ing for medium probability losses). Third, prospect theory asserts that losses have more impact on choices than do equivalent gains. For example, most people do not think that a 50% chance of gaining $100 is sufficient to compensate a 50% chance of losing $100.

Taken together, the way in which a problem is framed in terms of losses or gains dramatically affects behavior in negotiations. First, loss aversion contributes to a bias in favor of the status quo (see Samuelson & Zeckhauser, 1988), which may inhibit pareto-improving tradeoffs with counterparts (cf. Kahneman, 1992). Second, both loss aversion and the pattern of risk seeking for losses may lead to more aggressive bargaining when the task is viewed as minimizing losses rather than maximizing gains. Indeed, in laboratory studies, negotiators whose payoffs are framed in terms of gains tend to be more risk averse than those whose payoffs are framed in terms of losses: They tend to be more concessionary and complete more transactions (Bazerman, Magliozi, & Neale, 1985). Although participants whose payoffs are framed in terms of losses tend to complete fewer deals, the terms of these deals tend to be more favorable (see also, Neale & Bazerman, 1985; Neale, Huber, & Northcraft, 1987; Neale & Northcraft, 1986). Third, people tend to categorize gains and losses on particular issues into "mental accounts" (Thaler, 1985), which may influence the attractiveness of agreements. For example, if a negotiator wants to present a proposed agreement in its best possible light to a counterpart, he or she should attempt to incorporate each aspect of the agreement on which the counterpart stands to lose (because each additional loss when lumped together is less and less aversive) and segregate each aspect of the agreement on which the counterpart stands to gain (because each additional gain when lumped together would be less and less attractive). This is especially important in logrolling, which by definition involves negotiators giving up (incurring losses) on some issues in exchange for larger gains on other issues.

Dyads

The analysis of the dyad begins with the normative exploration of the issues, interests, beliefs, and bargaining zones, as outlined in section III. In addition, descriptive dyadic analysis includes an examination of the biases of negotiator cognition, and a host of other factors that influence negotiated outcomes, such as relationships between the parties and their perceptions of fairness.

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3For low probability outcomes, people tend to be risk seeking on gains and risk averse on losses.
Biases of Negotiator Cognition

Probably the most serious hindrance to the development of mutually beneficial tradeoffs are the faulty perceptions people hold about the interests, motives, and reasonableness of their own position. This gives rise to the fixed pie bias, reactive devaluation, and egocentric bias in negotiation.

Fixed Pie Bias and Lose–Lose Agreements. Most negotiators assume the "pie" of resources is fixed; that is, they perceive the other party's interests to be completely opposed to their own (Bazerman & Neale, 1985; Thompson & Hastie, 1990). This faulty perception is present at the outset of most negotiation situations (Thompson & Hastie, 1990) and is remarkably resistant to disconfirming information (Thompson & DeHarpport, 1994). Not only does fixed pie bias inhibit the identification of mutually beneficial tradeoffs; it can also inhibit the ability of negotiators to take full advantage of issues on which their interests are congruent so that they instead reach "lose–lose" agreements (Thompson & Hrebec, 1996). At least half the time that lose–lose agreements are reached in laboratory studies, people are not aware that they have unnecessarily wasted resources. Inefficient agreements such as this are costly not only for the parties involved, but also for the organization that pays the price of increased waste and underutilized human capital.

Reactive Devaluation. The assumption that what is good for my counterpart must be bad for me may also contribute to an insidious bias called reactive devaluation, in which specific proposals are evaluated as less favorable by a negotiator after they have been offered by the negotiator's adversary (Lepper, Ross, Tsai, & Ward, 1994; Ross, 1995; Stillinger, Epelbaum, Keltner & Ross, 1990). For example, Stillinger and her colleagues examined students' evaluations of two university plans for divestment from South Africa: The first called for partial divestment; the second increased investments in companies that had left South Africa. Both plans, which fell short of the students' demand for full divestment, were rated by students before and after the university announced that it would adopt the partial divestment plan. The results were dramatic: Students rated the university plan less positively after it was announced by the university, and the alternative plan more positively. If negotiators routinely undervalue concessions made by their counterparts, it will inhibit their ability to exploit pareto-improving tradeoffs so that they can achieve more efficient, integrative agreements.

One-Sided Evidence and Egocentric Bias. In general, people have difficulty divorcing themselves from their own perspective so that they can
take an objective view of disputes in which they are involved. For example, people underestimate how persuasive arguments invoked by their counterparts will be to neutral third parties. In one study, Brenner, Koehler, and Tversky (in press) presented groups of people with background information about a legal dispute and either the plaintiff’s or the defendant’s arguments. Other groups were presented with background information only or background information plus both sides’ arguments. Participants presented with only one side of the case tended to overestimate how compelling those arguments would be to jurors relative to the other two groups, who had a much more balanced view.

Even when negotiators are provided with complete information, they judge fairness in a self-interested, or “egocentric” manner. For example, Thompson and Loewenstein (1992) randomly assigned subjects roles in negotiation simulations involving a wage dispute between labor and management. Both groups were given identical background information on the dispute, and were asked to negotiate under the threat of a costly strike if they failed to reach an agreement. Prior to negotiating, both groups were asked what they thought was a “fair wage from the vantage point of a neutral third party.” These judgments were biased in an self-interested direction; that is, participants believed the neutral third party would favor their own role. Moreover, the magnitude of the resulting discrepancy in views of a given dyad strongly predicted the length of strikes. Babcock and her colleagues replicated these effects with real money at stake in a simulated legal dispute (Babcock et al., 1995; Loewenstein, Issacharoff, Camerer, & Babcock, 1993).

Factors Determining the Negotiated Outcome

Negotiators face two competing tasks in the development of negotiated agreements: creating and claiming value (Lax & Sebenius, 1986). Although one can invoke normative analysis to help identify integrative potential (i.e., the value that can be created in the negotiation), decision analysis does not speak to the issue of how to rationally divide resources (i.e., the value that is claimed by each party). Obviously, this distribution is influenced by the particular tactics that are employed by negotiators (see Pruitt & Carnevale, 1993). In addition, outcomes are affected by emotions, the power dynamic, perceptions of fairness, relationships, and social influence tactics employed by the parties.

Affect and Emotion in Negotiation

Most people would like to believe that they are not emotional and that their behavior is not servant to their affect. This pessimistic view of emo-
tion derives from a misperception that emotions are primarily negative. The truth is that we are always in an emotional state; we may be calm, joyous, frustrated, or angry. Affect\(^6\) in negotiation can have an adaptive function, such as when emotions signal the transgression of social–moral rules (Keltner & Robinson, 1994). For example, consider a negotiation situation in which a negotiator refers to an opponent by his first name; the opponent frowns, and the negotiator learns that he has violated a normative rule. Further, negotiators may seek or avoid circumstances promoting particular emotions (Frank, 1988). For example, a negotiator who realizes that he or she is more likely to make unattractive, unilateral concessions when in the presence of her coworkers (perhaps for impression management reasons) will arrange to meet the opponent in private. People in a positive mood help others more often (Isen, 1970), are more creative (Isen, 1983), and are more sociable (Isen, 1970), and reach more integrative agreements (Carnevale & Isen, 1986), than those in a neutral state. Emotional cues that accompany lying allow negotiators to potentially detect deception (Ekman, 1992; Frank 1988). However, emotion can have dysfunctional consequences, such as when negative affect is reciprocated (Deutsch, 1973). Furthermore, negative emotion may inhibit one's ability to detect integrative agreements. For example, Kim and Thompson (1996) found that mediators were more likely to detect integrative opportunities when principals displayed positive, rather than negative affect.

**Power**

Bacharach and Lawler (1980) called power the essence of bargaining. Fisher (1983) equated negotiating power with "the ability to affect favorably someone else's decision" (p. 150) and defined six categories of power in negotiations. First on his list of power is skill and knowledge. Knowledge in advance about the people involved in a negotiation, their interests, and about the relevant facts gives a party an advantage in obtaining an attractive outcome. The second category of power is good relationships. Positive relationships promote, among other things, trust and good communication. Fisher's third category of power is a good alternative to negotiating. The better an alternative the more favorable an agreement one can credibly demand. The fourth category of power is an elegant solution. Fisher asserted that brainstorming enhances negotiating power by increasing the possibility that a negotiator devises a solution that satisfies the legitimate interests of all sides. The fifth category of power is legitimacy. By developing various objective criteria and standards of legitimacy

\(^6\)We use the term affect to refer to the broad constellation of feeling states, such as emotion and mood.
cy, negotiators can improve their power. Finally, Fisher identified the power of commitment. This includes positive commitments about terms to which a negotiator is willing to agree as well as negative commitments or threats about what a negotiator will do if his or her counterpart fails to agree. Obviously, all negotiators would like to improve their bargaining power. The most effective way to increase bargaining power is to improve one's reservation point, which of course means finding alternative options.

Fairness

A principal's willingness to accept a particular negotiated settlement is influenced by his or her subjective satisfaction with that settlement. Satisfaction with an agreement is a function of objective provisions and also of the perceived fairness of the process and outcome (Thompson, Valley, & Kramer, 1995). Concerns for fairness result in behavior that systematically differs from that predicted by the rational model.

Norms of Fairness. The most common norms of distribution that are invoked in negotiation include equality (Ashenfelter & Bloom, 1984), egalitarianism (Rawls, 1971), equity (Adams, 1963; Homans, 1961), need (Deutsch, 1955), and past practice or precedent (Bazerman, 1983; Knochman, Knetsch, & Thaler, 1986a). Not only do people define what is fair in a self-interested manner (as we have seen in the case of egocentric bias), but they also tend to favor norms of fairness that benefit them most. For example, people in positions of high power tend to favor distributions based on equity norms, whereas those in positions of lower power favor equality norms (Komorita & Chertkoff, 1973; Shaw, 1981). Austin, McGinn, and Susmich (1980) instructed pairs of people to complete a work task in which they received feedback on their performance. When participants outperformed strangers, they were more likely to divide compensation according to an equity norm, giving more to themselves; however, when the stranger outperformed them, participants tended to prefer an equality norm, splitting the money evenly.

Relative Versus Absolute Payoffs. The rational model predicts that people will maximize absolute payoffs to themselves and ignore relative payoffs to others. However, in practice, people are not so selfish nor as forgiving as classical economic theory predicts. For example, Kahneman, Knetsch, and Thaler (1986b) asked participants to play a "dictator" game in which they could split $20 with an anonymous other person one of two ways: either keep $10 and give $10, or keep $18 and give $2. Contrary to the rational model, 76% of participants split the money evenly. Moreover,
participants were willing to hurt themselves in order to punish players who had been greedy: 74% of participants preferred to receive $5 and give $5 to a person who had split the original $20 evenly rather than receive $6 and give $6 to a person who had taken $18 of the original $20. Similarly, Guth and his colleagues conducted an “ultimatum” game in which a first player makes an offer on how to divide $100, and a second player decides whether to accept or reject that distribution. Contrary to the rational model, first players demanded on average less than 70% of the total, and as many as 20% of second players rejected a positive offer that gave more to player one (Guth, Schmittberger, & Schwartz, 1982). Finally, participants in ultimatum games are willing to hurt themselves in order to punish others who have behaved unfairly. Ochs and Roth (1989) constructed a version of the ultimatum game such that if player two rejected the offer of player one, he or she could make a counterproposal on how to split a smaller prize. In this game, 81% of offers that were rejected by player two were followed by counteroffers that gave less in absolute terms (but more in relative terms) to the rejecter.

It is clear from these examples that negotiators are sensitive not only to their own payoff, but also to the relative payoff to their counterpart. Indeed, in a study of symmetric distributive bargaining situations, participants report greater satisfaction with even distributions than with uneven distributions, regardless of whether the uneven distribution was in the participant’s own favor (Loewenstein, Thompson & Bazerman, 1989).

Past Precedents. Not only do relative outcomes matter, but so does past precedent. The past tends to serve as a reference state against which the present agreements are framed. In a series of telephone surveys Kahneman, Knetsch, and Thaler (1986a) found that most people find it unfair for firms to impose a loss on customers, employees, or tenants by raising prices, cutting wages, or raising rents, unless firms do so to protect themselves from a threatened loss (see also Medvec, Valley, & Thaler, 1995).

Relationships

If parties are engaged in repeated distributive negotiations, integrative potential can be created by trading off concessions at different periods in time (Mannix, Tinsley & Bazerman, 1995). A static, transactional model of negotiation neglects such opportunities (Sheppard, 1995). Compared to negotiations with distant others, people are less competitive in their negotiations with close others (Halpern, 1992; Schoeninger & Wood, 1969), they exchange more information with close others (Greenhalgh & Chapman, 1995; Thompson & DeHarppport, 1994), they make more concessions (Halpern, 1992; Schoeninger & Wood, 1969), and joint outcomes are often
less mutually beneficial (Fry, Firestone, & Williams, 1983) or at least not more integrative (Greenhalgh & Chapman, 1995; Schoeninger & Wood, 1969; Thompson & DeHarpport, 1994; Valley, Mong, & Bazerman, 1994).

Relationships and Fairness. The relationship between negotiators is also an important moderator of their attitudes toward fairness. For example, earlier we cited a study by Austin and his colleagues (1980) in which participants chose a self-interested standard of fairness in dividing compensation with a stranger. In a different condition of that same study, participants were paired with their roommate rather than with a stranger. In this case, they were more likely to split the money evenly even if they had outperformed their roommates (see also Pinkley, Sondak, & Neale, 1992). Earlier we also mentioned a study by Loewenstein, Thompson, and Bazerman (1989) in which participants preferred even distributions to uneven distributions, regardless of whether or not the inequity was in participants’ own favor. This pattern broke down when participants negotiated with people with whom they had a negative relationship. In that case, people were particularly dissatisfied with disadvantageous inequity and actually preferred advantageous inequity to an even distribution.

Social Influence Tactics

Negotiation is a game of mutual influence. There is a vast literature in social psychology that examines how individuals influence others to accede to their requests. Cialdini (1993) organized the literature into six principles of influence that we describe below.

1. Reciprocity. We should repay, in kind, what another person has provided us. Even uninvited favors and gifts leave people with a sense of indebtedness that they feel they must reciprocate. In negotiation, there is a strong norm that a party should respond to each concession that his or her counterpart makes with a concession of his or her own, even if the initial offer was rather extreme (see Cialdini et al., 1975).

2. Commitment and Consistency. Once we make a choice or make a stand, we encounter personal and interpersonal pressure to behave consistently with that commitment. In negotiation, a public commitment to a statement of principles or a criterion of fairness is difficult to later abnegate (cf. Deutsch & Gerard, 1955). After a negotiator gets his or her “foot in the door” by having his or her counterpart accede a small initial request, later cooperation becomes more likely (cf. Freedman & Fraser, 1966).

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7It seems particularly ironic that our negotiations with close others should fall short. There are several differing views on why this is so (for an overview, see Thompson, 1996).
After investing time and energy in a lengthy and important negotiation, negotiators are likely to give in to last minute "low-ball" requests by their counterpart (cf. Cialdini, Cacioppo, Bassett, & Miller, 1978).

3. **Social Proof.** We view a behavior as correct in a given situation to the degree that we see others performing it (Festinger, 1950). This is the principle behind "canned" laughter on television, which has been shown to elicit more laughter in audiences and cause them to rate material as funnier than they do in its absence (Fuller & Sheehy-Skeffington, 1974; Smythe & Fuller, 1972). In general, people are more likely to follow the behavior of others when the situation is unclear or ambiguous or when people are unsure of themselves (Tesser, Campbell, & Minckler, 1985). Moreover, people are more likely to follow the example of others who they perceive to be similar to themselves (e.g., Hornstein, Fisch, & Holmes, 1968). In negotiation, people can exploit past precedents and examples of others who have accepted similar terms to gain compliance.

4. **Liking.** We prefer to say yes to people we know and like. Several factors that promote liking include physical attractiveness, similarity, compliments, familiarity (see Cialdini, 1993). Contrary to the popular belief that a successful negotiator ruthlessly intimidates and exploits his or her counterparts, a positive relationship can be more effective for achieving mutually beneficial outcomes (Thompson, Valley, & Kramer, 1995).

5. **Authority.** We are more likely to accede to the request of a perceived authority figure. The most well-known illustration of this principle is Milgram's (1974) studies that showed the willingness of ordinary people to administer what they thought were dangerous levels of electrical shocks to a person with an alleged heart condition merely because an "experimenter" in a white laboratory coat insisted that "the experiment requires that [they] continue." Equally sobering is the demonstration by Hofling and his colleagues (Hofling, Brotzman, Dalrymple, Graves, & Pierce, 1966) in which a researcher identified himself over the phone as a (fictitious) hospital physician and asked hospital nurses to administer a dangerous dose of an unauthorized drug to a specific patient; in this case, 95% of the nurses attempted to comply. Not only do titles tend promote compliance and deference, but so do uniforms (e.g., Bickman, 1974) and other trappings, such as fancy automobiles (e.g., Doob and Gross, 1968). Negotiators can improve their results by citing authorities, and by acting and dressing in a professional manner.

6. **Scarcity.** Opportunities often seem more valuable when they are less available. According to psychological reactance theory, people react against threats to their freedom to choose an item by desiring it more and working harder to obtain it (Brehm, 1966; Brehm & Brehm, 1981; Wicklund, 1974). This is the principle underlying the success of the ubiquitous "limited time offer" in consumer advertising. Threats to freedom can take the form of time
limits, supply limits, and competition. In negotiation, these tactics can be a particularly effective means for gaining compliance. Savvy negotiators can dramatize their BATNAs by entertaining competing bids, or they can strategically impose artificial time limits for negotiation.

**Polyads**

When we expand analysis from dyadic (two-party) negotiation to polyad (three-plus party) negotiation, the potential emerges for coalition formation and social dilemmas. In the dyadic case, parties are more interdependent because one cannot reach settlement without the consent of the other. In the case of the polyad, it is possible for parties to exclude individuals from an agreement. This introduces new tensions and constraints to the negotiation situation, which we now discuss.

We described a polyad as a collection of three or more principals in a dispute, each of whom represents their own interests and acts reasonably autonomously. The parties may be individuals, teams, or groups. Thus, polyad analysis focuses on how three or more individuals jointly reach agreement and does not focus on intraparty differences. In some cases, polyads are composed of independent entities who each make decisions that have repercussions for collective well-being, giving rise to social dilemmas. In other instances, polyads are composed of collaborating principals, who can make side agreements and form coalitions. We consider these cases in turn.

**Individual Choice and Social Dilemmas**

In some situations, each member of an organization (or firm in an industry) takes actions that have implications for the entire group. For example, consider a commons area in an organizational department that is shared by several members and is run on the principle of honesty, with organizational members obliged to pay for supplies and refreshments that are made publicly available. If all members elect to take a large number of supplies without paying for them, the commons supply is depleted and all suffer. However, if organizational members exercise restraint, the commons area is a self-sustaining resource for organizational members. The situation we have described is known as a social dilemma (Hardin, 1968), in which organizational members make independent decisions on whether to further their own interests or further the interests of the group (for more extensive discussions, see Messick & Liebrand, 1995; Parks, 1994). A dilemma arises because if each member decides to rationally pursue his or her own interests, the group as a whole suffers.

The most effective means for inducing cooperation and group-interested choice in social dilemma situations is communication. By allowing group
members to talk with one another prior to their making independent choices, rates of cooperation have been shown to increase dramatically (for a review, see Sally, in press). Communication appears to be effective for two reasons. First, it allows members to develop a sense of group identity; people feel more committed to helping their group because group welfare is an extension of individual welfare (Dawes, 1980). Second, communication allows members to make commitments to one another. Even if the commitments that people make are not legally binding, they may be psychologically binding because people desire to follow through for intrinsic reasons rather than extrinsic sanctions (Kerr & Kaufman-Gilliland, 1994). In a sense, the commitments that members make to one another transform the situation from a noncooperative task to a cooperative task. Obviously, understanding the factors that promote repeated cooperation within and between organizational groups is important for organizational effectiveness.

Coalitions

Coalition formation is one way that group members may marshal a greater share of resources. A coalition is a (sub)group of two or more individuals who join together in using their resources to affect the outcome of a decision in a mixed-motive situation involving at least three parties (Gamson, 1964; for a recent review, see Komorita & Parks, 1994). Coalitions involve both cooperation and competition: Members of coalitions cooperate with one another in competition against other coalitions but compete against one another regarding the allocation of rewards the coalition obtains. Bargaining power (in terms of quality and feasibility of alternative solutions) is intimately involved in both the formation of coalitions and the allocation of resources among coalition members. Power imbalance among coalition members leads to a number of detrimental consequences. Compared to egalitarian power relationships, unbalanced power relationships produce more coalitions defecting from the larger group (Mannix, 1993), fewer integrative agreements (Mannix, 1993; McAllister, Bazerman, and Fader, 1986), greater likelihood of bargaining impasse (Mannix, 1993), and more competitive behavior (McIntock, Messick, Kahlman, & Campos, 1973). Power imbalance makes power issues salient to group members, whose primary concern is to protect their interests.

Intermediary

There are a number of ways in which a third party can intervene in a dispute. The intermediary can act as an agent by bringing parties together and representing the interests of one or more parties. Alternatively, the intermediary can attempt to facilitate the negotiation through mediation
or impose a solution through arbitration, adjudication, or autocratic decision making (see Pruitt & Carnevale, 1993, chap. 12). In mediation, the third party aids disputants in resolving the dispute but has no power to impose a settlement. In arbitration, the principals present their case or final offer to a third party who has power to impose a solution. Arbitration can range from passive to inquisitive, and the arbiter can have full discretion to impose any kind of settlement or have constraints such as the requirement to choose one side’s final offer.

Agency

There are many advantages to using agents to represent one’s interests. Rubin and Sander (1988) observed that agents can provide substantive knowledge (e.g., a tax attorney), expertise in the negotiation process (e.g., a real estate agent), or special influence (e.g., a Washington lobbyist). Moreover, they can provide emotional detachment (e.g., a divorce attorney) and tactical flexibility. However, there are costs to agency. Because they are usually compensated for their services, agents diminish the potential resources to be divided among the principals. Second, ineffective agents may complicate the negotiation dynamic and thereby inhibit settlement. Most problematic, the agent’s interests may be at odds with those of the principals (for an overview of principal-agent issues in economics, see Jensen & Meckling, 1976). For example, Valley, White, Neale, and Bazerman (1992) examined the impact of an agent’s knowledge of the buyer’s and/or the seller’s reservation point in a residential real estate negotiation simulation. Their results suggested a distinct disadvantage for parties with agents: Selling price was lowest when the agent knew only the seller’s reservation price and highest when the agent knew only the buyer’s reservation price. In another study using a similar paradigm, the presence of an agent increased the impasse rate (Bazerman, Neale, Valley, Zajac, & Kim, 1992).

Arbitration and Mediation

There are a number of criteria on which one can judge the success of dispute resolution by a third party. An ideal procedure should (1) increase the likelihood that the parties reach an agreement if a positive bargaining zone exists; (2) promote a pareto efficient outcome; (3) promote outcomes that are perceived as “fair” to the disputants; and (4) improve the relationship between the parties.

However, there are a number of obstacles that may threaten the success of third-party intervention. First, there is no guarantee that third parties are neutral (Gibson, Thompson, & Bazerman, 1995). In fact, third parties evince
many of the biases that plague principals (Carnevale, 1995). Even a neutral mediator may be mistakenly viewed as partial to one's adversary (Morris & Su, 1995). Second, third parties may have a bias to broker an agreement at any cost, which may be disadvantageous to the principals (Gibson et al., 1995). Finally, the threat of third-party intervention may inhibit settlement—for example if principals believe that an arbitrator is inclined to impose a compromise settlement (Farber & Bazerman, 1986). For this reason, final offer arbitration may be more effective than traditional arbitration (see also Chelius & Dworkin, 1980; cited in Raiffa, 1982, Table 4).

Managers are often called on to resolve disputes in organizations (Tornov & Pinto, 1976). In contrast to traditional arbitrators and mediators, managers may have a direct stake in the outcome and an ongoing relationship with the disputants. In addition, managers are more likely to have technical expertise and background knowledge about the dispute. Although several intervention techniques are available to managers, they tend to choose techniques that maximize their own control over the outcome (Karambayya & Brett, 1989; Sheppard, 1984). This may be less preferable to participants because it gives them less voice (Lind & Tyler, 1988).

Collateral Relationships

Collateral relationships refer to negotiations within organizations in which the negotiator is linked to other organizational actors, such as superiors, subordinates, or constituents. Walton and McKersie (1965) noted the importance of intraorganizational relationships when they formulated their intraorganizational bargaining model in which the negotiator in the organization faces two distinct sets of challenges; negotiating between organizations and within the organization.

Most of the research on collateral relationships has focused on the influence of constituents on negotiator behavior. In this paradigm, the organizational actor is accountable to a constituency who has a vested interest in the outcomes of the negotiation. There are two general models of the organizational actor who represents a constituency: the organizational agent and the organizational autocrat.

The organizational agent model is the one most often investigated by conflict theorists. The actor is viewed as an agent who is elected to serve the interests of the larger constituency and negotiates on behalf of the interests of his or her constituents. In its purest form, the organizational agent does not have decision control, but is dependent on approval of the constituency. To the extent that this is true, many of the agency issues described earlier will be relevant. For example, the lack of decision control can often give the agent increased power. The "my hands are tied" strategy is a common bargaining ploy of organizational agents who are
able to extract larger concessions from opponents who do have decision control. In this sense, empowered negotiators are often in a weaker bargaining position than those without decision control.

In contrast to the organizational agent model, the organizational autocrat model views the actor as determining the welfare of his or her constituents. The actor has complete decision control and the constituency is dependent on the actions taken by the negotiator. The negotiator does not need to seek the approval of his or her constituency before enacting an agreement. Raiffa (1982) cautioned negotiators to determine in advance whether or not their counterpart has the power to ratify agreements. The issue of ratification power is more salient in the case where the negotiator is dealing with a subordinate (who is accountable to a superior) rather than with a superior.

**Accountability**

Accountability to collateral actors is an inevitable aspect of organizational life (Tetlock, 1985, 1992). There are at least two motivational processes that are triggered by accountability: decision-making vigilance and evaluation apprehension.

**Decision-Making Vigilance.** According to Tetlock (1985, 1992), decision makers who are accountable for their actions tend to consider relevant information and alternatives more carefully. In this sense, accountability increases the use of thoughtful, deliberate processing of information and decreases automatic, heuristic processing (see also Chaiken, 1980; Fiske & Neuberg, 1990). Decision makers who believe that their decisions will be scrutinized by others are concerned with making a good decision that is supported by the available evidence. Viewed in this light, accountability would seem to uniformly improve the equality of decisions made by negotiators and increase the likelihood of integrative agreements.

Thompson (1995) reasoned that decision accountability may not always promote more thorough and unbiased processing of information if organizational actors were partisan to a particular view. In a series of studies, observers watched videotapes of organizational actors negotiating. In some instances, the observers were asked to assume an objective and impartial view of the situation; in other instances, observers were instructed to take the perspective of one of the parties. Further, some observers were told that they would be accountable for their actions and behaviors (they were told they would have to justify their decisions to others, an unspecified audience, who would question them). After watching the tape, observers made judgments about the interests of the organizational actors. Accountable partisans were more likely to fall prey to the fixed-pie
assumption than were accountable nonpartisans. Thompson's explanation of this finding is that the partisan observers were motivated to reach a particular conclusion, and were therefore theory-driven; however, the nonpartisan observers were presumably motivated to reach whatever conclusion the data would allow and were therefore evidence-driven. Thus, accountability does not uniformly increase the accuracy of negotiators' judgments; the effects of accountability seem to depend on the negotiators' goals.

**Evaluation Apprehension and Face Saving.** A second motivational process triggered by accountability pressure is evaluation apprehension. Negotiators who are accountable for their behaviors are concerned with how they are viewed by relevant others. Evaluation apprehension leads negotiators to employ face-saving strategies and to make their actions appear more favorable to relevant others. Face-saving concerns may lead negotiators to be more aggressive and uncompromising in their bargaining so that they are not accused of being suckers or pushovers. In fact, negotiators who are accountable to constituents are more likely to maintain a tough bargaining stance, make fewer concessions, and hold out for more favorable agreements compared to those who are not accountable (see Carnevale & Pruitt, 1992).

**Constituent Goals**

Negotiators often face a conflict between their goals and those of their constituency. Peterson and Thompson (1994) examined the impact of different types of organizational accountability on negotiator effectiveness. Negotiations took place in teams of two people. Each team was told that they were to report to a manager who would brief them about the goals of the organization. In one condition, the manager was "profit oriented" and instructed the team to serve the interests of the group at all costs. In another condition, the manager was "people oriented" and instructed the team to maximize their interests while maintaining harmonious intergroup relations. In a control condition, the teams were not accountable to a manager. Teams who reported to the "profit" supervisor claimed a greater share of the resources than did teams who reported to the "people" supervisor and the nonaccountable teams, but only when team members were unacquainted. When team members were previously acquainted, there were no differences in relative profitability. The implication is that people are better able to focus on maximizing their profit (i.e., focusing on distributive negotiation) when they are given a clear profit maximization goal and they are not previously acquainted. For the manager interested in effective dispute resolution, it is not only important to
understand the relationships negotiators share across the bargaining table, but it is important also to understand the hidden table of collateral relationships—that is, the relations within a party (see Kolb, 1983).

Intragroup

Thus far, we have treated each party in a negotiation as either an individual or a monolithic entity, in which each person comprising that party has identical beliefs, preferences, skills, and goals. Obviously, parties are often composed of individuals with differing beliefs, interests, skills and goals; in this sense, groups are multilithic. Intragroup analysis focuses on the internal dynamics of the team or group that must act as a single decision-making unit. We now consider two aspects of intragroup activity: decision making and task performance. (A more comprehensive treatment of intragroup conflict and negotiation is provided by Van de Vliert and Janssen in this volume.)

Group Decision Making

Voting and Majority Rule. The most common procedure used to aggregate preferences of team members is to vote using majority rule. Voting refers to the procedure of collecting individuals’ preferences for alternatives on issues and selecting the most popular alternative as the group choice. Whereas majority rule appears democratic, it presents several problems with respect to the attainment of efficient negotiation settlements. First, voting ignores group members’ strength of preferences for issues. Because strength of preference is a key component in the fashioning of integrative agreements, majority rule may hinder the development of mutually beneficial tradeoffs. Second, voting in combination with other decision aids, such as agendas, may be especially detrimental to the attainment of efficient outcomes because it prevents logrolling among issues (Mannix, Thompson, & Bazerman, 1989; Thompson, Mannix, & Bazerman, 1988). Finally, voting focuses the group on members’ positions rather than on their underlying interests, hence inhibiting members’ ability to identify pareto-improving solutions.

There are other problems with voting as well. First, group members may not agree on a method for voting. Some members may insist on unanimity; others may argue for a simple majority rule; still others may advocate a weighted majority rule. Second, even if a voting method is agreed upon, it may not yield a choice. For example, the group may not find a majority if there is an even split in the group. Finally, voting does not eliminate conflicts of interest, but rather provides a way for group members to live with conflicts of interest; hence group decisions may not be sta-
ble. In this sense, voting "hides" disagreement within groups, which may threaten long-term group and organizational effectiveness.

Arrow (1951) analyzed the problem of combining members' preferences among options to derive a common preference ordering. He proved the "impossibility theorem," which states that no such rule for combining members' preferences is possible if it must satisfy a minimal set of reasonable conditions (e.g., completeness, transitivity). The problem of indeterminacy of group choice is further compounded by the temptation for members to strategically misrepresent their true preferences so that a preferred option is more likely to be favored by the group (Chechile, 1984; Ordeshook, 1986; Plott, 1976; Plott & Levine, 1978). For example, a group member may vote for his or her second choice option in order to ensure that his or her last choice option does not receive the most votes. Furthermore, members may manipulate the order in which alternatives are voted on; when alternatives are voted on sequentially in pairs, those voted on later are more likely to win (May, 1982).

Consensus and Group Influence Tactics. Consensus agreements require the consent of all parties to the negotiation before an agreement is binding. These should be distinguished from unanimous agreements in which parties to the negotiation agree inwardly as well as outwardly. Consensus agreements imply that parties agree publicly to a particular settlement, though their underlying views about the situation may be in conflict.

Although consensus agreements are often most desirable, there are several problems with them in practice. First, they are time consuming because they require the consent of all members, who are often not in agreement. Second, they may lead to the development of compromise agreements where parties attempt to identify a lowest common denominator. Compromise agreements are a quick and easy method of reaching agreement and are compelling because they appear to be fair, but they are usually inefficient because they fail to exploit potential pareto-improving tradeoffs. However, consensus agreements tend to be more efficient than majority rule (Mannix et al., 1989; Thompson et al., 1988). As a general principle, groups should strive for consensus—at least initially.

As organizational actors attempt to build consensus, they may employ group influence tactics to persuade others to change their views or interests. There are several group influence tactics that organizational actors may use to persuade others within their group (see Deutsch & Gerard, 1955). We identify three.

1. Normative influence. Normative influence refers to the influence group members exert on one another due to each individual's desire to be liked and respected by members of his or her referent group. A group may
exert normative influence on a member by threatening to dismiss him or her from the group either physically or emotionally (i.e., ostracism). When members don’t agree with the views of the group, the group will first attempt to persuade the member to change his or her mind, but if unsuccessful will ultimately reject the member (Schacter, 1959).

2. **Informational influence.** Informational influence refers to the influence attempts made by members that rely on facts and objective reasoning. That is, group members may attempt to persuade others of the virtue of their own positions by supporting their position with objective data, factual knowledge, summary reports, and the like.

3. **Values influence.** Values influence refers to the influence attempts made by members of groups that prey upon individual’s desires to hold the “right” values. In many situations it is not acceptable for organizational members to advocate a position of self-interest. Rather, members use organizational values and goals in the service of justifying their own self-serving needs. Most organizational members want to view themselves and to be viewed by others as a good organizational citizen who espouses the appropriate values.

To illustrate the differences between these varieties of group influence tactics, consider a group member who is reluctant to go along with a new hire that all other group members prefer. The group has previously decided that consensus is needed before making a new hire. The group could exert normative influence by threatening to ostracize the dissenting member or exclude him or her from social outings. The group could exert informational influence by providing additional, corroborating information about the attractiveness and values of the potential new hire (e.g., letters of recommendation). Finally, the group could exert values influence by arguing that it is consistent with the culture and mission of their organization to hire this person.

**Group Task Performance**

**Team Negotiation.** A team negotiation is a situation in which two or more people act as a single party to determine allocation of resources with another party who is perceived to have some differing interests. Are teams better than individuals at exploiting integrative potential—in other words, are two or more heads better than one? To answer this question, Thompson et al. (1996) compared three types of negotiation configurations: team versus team, team versus solo, and solo versus solo negotiations. The presence of at least one team at the bargaining table dramatically increased the incidence of integrative agreement. Why are teams so effective? Apparently, teams promote information exchange about inter-
ests and alternatives that leads to the discovery of mutually beneficial tradeoffs.

It seems clear that the presence of a team at the bargaining table increases the integrativeness of joint agreements, but what about the distributive component? Do teams outperform their solo counterparts? The answer to this question is currently inconclusive, with teams earning more than their solo opponents in some investigations (e.g., O'Connor, 1996; Thompson et al., 1996, Experiment 2), but not in others (e.g., Thompson et al., 1996, Experiment 1). Even when solo negotiators claim less value relative to their team counterparts, they do not seem to suffer in an absolute sense because of the increased integrativeness of agreements.

**Distributed Cognition.** Often organizational members negotiate as a team or a group because no single person has the requisite knowledge and expertise required to negotiate effectively. By combining the expertise of different members, the group will be more effective as a unit at the bargaining table. This is an appealing notion, but it is not clear how group members combine and share their expertise and knowledge. The study of how information is shared and tasks are divided is known as distributed cognition (Hutchins, 1991; Levine, Resnick, & Higgins, 1995). We now review the major components of the distributed cognition approach (see Thompson, Peterson, & Kray, 1995, for a review).

1. **Information processing.** The fundamental building block of the distributed cognition model is the individual information-processing system (for a review, see Anderson, 1990; Fiske & Taylor, 1991). The basic processes of the individual information-processing system include encoding, retention, and retrieval. In Wegner's (1986) transactive memory model, the model of the individual mind is extended to the group. For example, when an individual attempts to retrieve information, a search through long-term memory is instigated. In the group context, the search for a piece of information would occur on an individual level, but would also be manifested at the group level, with individuals treating other members of the group as storage locations to be searched, (e.g., "Hey Joe, do you remember the IBM salesperson's name?"). Similar processes operate for encoding (e.g., "You're the numbers person on this project. I am counting on you to know the financial end of this deal.").

2. **Communication.** In a group or team situation, each individual member serves as a storage receptacle for certain information. For a team to retrieve a given piece of information, the location of the information must be known and the person who stores the information must have stored the information with the same label as that used by other members of the group. As an example, consider a research and development group in a
company who is preparing for a negotiation with upper management concerning the distribution and sale of a new product. Key issues include the history of the development of the product, the initial agreement settled upon, the market viability of the product, and potential sales. The research and development group includes a member of the marketing group on their team to provide expertise about the market.

3. Responsibility. Teams not only deal with the recollection of stored information, but they also deal with the encoding and storage of new information. The issue of how teams decide who is responsible for storing and retaining which information is crucial to the effectiveness of the team. There are trade-offs involved in the storage of information. It is more efficient for each team member to be responsible for particular information so that each member is not overwhelmed by too much data. However, as the redundancy of storage decreases, so do the chances of successfully retrieving the desired information. Furthermore, groups are less likely to consider and discuss information that is only shared by a subset of its members: this is known as the common information bias (Gigone & Hastie, 1993; Stasser, Taylor, & Hanna, 1989).

In conflict situations, it cannot and should not be assumed that all members of a given group are privy to the same facts and information. The distributed cognition approach suggests that people often rely on others for information. In this sense, teams of individuals can be more efficient by dividing the labor. However, distributed cognition is risky because if a team loses one of its members, information may be lost to the entire group. Thus, any group faces a dilemma between spreading responsibility, thereby increasing the dependence of the group on each individual member of the team, and on sharing information.

Group Productivity

How productive are groups? Although a full treatment of this question is beyond the scope of this chapter (see Aldag & Fuller, 1993; Fuller & Aldag, this volume; Hoffman, 1978; Maier, 1950; Thompson, 2000), as a general rule, a group’s productivity is equal to its potential productivity minus its process losses (Steiner, 1972). Process losses in groups can be divided into three categories: motivation losses, coordination losses, and conceptual losses. Each form of process loss affects the quality of negotiated agreements in groups. Motivational losses refer to the decreased motivation for group members to contribute to a group. When individuals feel that their contributions are not valued or that they are not positively rewarded for their efforts, their motivation may decrease (Latané, Williams, & Harkings, 1979). Coordination losses refer to the difficulties groups experience in coordinating effort. In
this sense, groups are well intentioned, but may fall short of realizing their potential because they have not developed a system for communicating and working smoothly together (see Shaw, 1981). Conceptual losses refer to the inability of individuals to make effective decisions or contributions when in a group. This can occur because individuals are cognitively taxed in groups and because time spent interacting with others diverts attention from information processing.

An analysis of group productivity is useful because it provides a reasonable estimate of how effective a group or team might be. In this sense, it provides a normative benchmark of performance. Furthermore, it provides a means by which to locate the source of potential ineffectiveness. People often blame poor group performance on low motivation of others. However, group ineffectiveness can often be traced to coordination losses, which may often be easily corrected. For the manager interested in improving the efficiency of group negotiations, it is essential to understand the major threats to productivity.

Intergroup

We defined intergroup negotiation as negotiations between groups, which may involve groups within the same organization or different organizations within an industry. The focus of intergroup analysis is on the dynamics of group membership and relationships among group members. One of the most well-known social psychological findings is the bias for people to evaluate their own group more favorably than outgroups (Tajfel, 1974). Downward social comparison leads to the general perception that one's own group is superior to other groups. According to Ellemers (1993), people of high status, those of low status who have few alternatives, and those members of groups who have an opportunity to improve their group are most likely to identify with their group. Members of groups with lower perceived status display more ingroup bias than members of groups with higher perceived status (Ellemers, Van Rijswijk, Roefs, & Simons, in press). However, high-status group members show more ingroup bias on group-status-related dimensions whereas low-status group members consider the ingroup superior on alternative dimensions (Ellemers & Van Rijswijk, 1997).

Social Identity. People derive self-esteem and identity through their memberships in groups (Tajfel & Turner, 1981), and group membership is a source of esteem and identity for organizational actors (Kramer, 1990). Group membership, however, is a fluid concept that may be defined in several different ways, depending on what features are salient in a particular situation. Kramer (1991) noted that within an organization,
people may identify their existence at any of three major levels: the individual level, the group level, and the organizational level. Not surprisingly, level of identification has serious implications for how people negotiate. When people define their social identity at the level of the organization, they are more likely to make more organizationally beneficial choices than when social identity is defined at an individual or subgroup level. For example, Kramer and Brewer (1984) instructed group members to consider either features they had in common with another group or features they had that were distinct. When members were instructed to think of commonalities—thus highlighting the superordinate group, behavior toward outgroups was much more generous than when members focused on differences—thus highlighting the subgroup level.

**Ingroup and Outgroup Negotiations.** In some cases, social identity cannot be easily transformed and people are faced with task of negotiating with a member of an outgroup (i.e., a member of a different organization or subgroup within an organization). One question concerns how negotiations with outgroup members are different from those with members of one’s own ingroup. Thompson (1993) examined negotiations with ingroup and outgroup members and did not find differences in the incidence of integrative agreements. However, group identity affected evaluations of others. As a general rule, when organizational actors anticipate negotiations with outgroup members, they are more likely to engage in downward social comparison (Wills, 1981). They evaluate the outgroup to be less attractive on a number of organizationally relevant dimensions (such as intelligence, competence, and trustworthiness) than their own ingroup. However, after negotiations with outgroups, intergroup relations improve and downward social comparison virtually disappears. Thompson’s interpretation is that negotiation with outgroup members is threatening to organizational actors, but to the extent that integrative agreements are feasible, such negotiation has remarkable potential for improving intergroup relations.

Although initial expectations may be quite pessimistic, interactions with members of opposing groups often has a beneficial impact on intergroup relations if several key conditions are met, such as when members of different groups are mutually dependent, a common superordinate goal exists, and an egalitarian culture is present (see Aronson & Bridgeman, 1979). From a prescriptive standpoint, the most significant steps that may be taken to smooth and enhance intergroup relations are to allow members of groups to have voice or express views (Lind & Tyler, 1988), to develop a single document or text that attempts to integrate parties’ interests (Raiffa, 1982), and encourage parties to interact with individual members of outgroups rather than with collectives.
Perceptions of Outgroups. Our analysis of ingroup and outgroup negotiations assumes that the source of conflict lies in the attainment of scarce resources that each group desires. However, there is another potential source of conflict that threatens the effectiveness of intergroup negotiation; misperception of beliefs. Ross and his colleagues (Robinson, Keltner, Ward, & Ross, 1995; Ward & Ross, 1996) showed that in general, parties in conflict do not have an accurate understanding of the views of the other party, and they tend to exaggerate the position of the other side in a way that promotes the perception of conflict. In a sense, each side views the other as holding more extreme and opposing views than is really the case. For example, Robinson et al. (1995) found that in a racial dispute, each side to the conflict had an exaggerated perception of the views of the other party, thereby exacerbating the perception of a difference in opinion.

The "naïve realism" perspective holds that people expect others to hold similar views of the world as they themselves do. When conflict erupts, people are initially inclined to provide the other party with evidence that they believe must be lacking. When this fails to bridge interests, people regard others who dissent as extremists who are out of touch with reality.

V. CONCLUSIONS

We do not promote our levels of analysis framework as a theory per se. Rather, we argue that a systematic analysis at all levels is a fruitful approach for both the scholar and practitioner interested in understanding and improving negotiations within and between organizational groups. The specific application of the levels of analysis approach will vary according to the goals of the researcher or practitioner. One general template for this analysis is summarized in Table 8.1.

The first step is to abstract the analytical structure of the negotiation. This involves the identification of the key players and their relationships to one another, the issues to be negotiated, and the interests and beliefs of each party. This can guide the investigator in analyzing the bargaining zone to determine what constitutes an efficient outcome. The second step is to identify key obstacles to achieving efficient outcomes at each level of analysis.

There is currently no theory of group negotiation. For this reason, it is not surprising that the research literature on group negotiation is not integrated or systematic. In short, it is a collection of disparate findings in search of an overarching framework. We think there is a good reason why no theory of group negotiation has emerged: Group negotiation has been conceptualized in fundamentally different ways and at different levels of analysis. It has been convenient for researchers to narrow their focus to
TABLE 3.1
A Framework for Negotiation Analysis

I. Abstract the analytical structure of the negotiation.
   A. Identify the key players and their relationship to one another.
      1) Identify principals and potential principals.
      2) Identify potential third parties and their roles.
         a) Are there superiors, subordinates, or constituents whose interests the principals
            have a motivation to represent or who can exert an influence on the outcome of
            the negotiation?
         b) Are there potential intermediaries (agents, mediators, arbitrators, adjudicators)?
      3) Are the principals monolithic? If not, identify the group members that comprise
         the principal in question.
   B. Identify the key elements of the negotiation.
      1) For the principals:
         a) Identify the issues under consideration.
         b) Identify each party’s underlying interests, and determine their preferences and
            priorities; identify their beliefs regarding any relevant uncertainties.
         c) Identify each party’s BATNA, and estimate reservation points.
      2) Identify the interests, beliefs, and attitudes of all group or team members and col-
         lateral parties.
      3) Identify the interest of third parties, and the nature of their influence on the negoti-
         ation process and outcome.

II. For each level of analysis, examine potential barriers to dispute resolution and factors that
    influence the outcome.
   A. Individuals
      1) Is there potential for anchoring bias?
      2) Do positive illusions play a role?
      3) Are there any framing effects?
   B. Dyads
      1) Are there any biases of negotiator cognition (fixed pie, lose–lose agreements, ego-
         centric bias, reactive devaluation)?
      2) What role do emotions, power, fairness, and relationships play?
      3) How are social influence tactics used by the parties?
   C. Polyads
      1) Are there any social dilemmas?
      2) What potential coalitions may form, and how will this affect the dynamic?
   D. Intermediaries
      1) Is there potential for third-party intervention? What kind?
      2) How might the private interests of intermediaries promote or subvert the interests
         of each principal?
   E. Collateral relationships
      1) To whom is each principal accountable and whose interests is each responsible for
         representing?
      2) What specific interests of collateral players has the principal internalized?
   F. Intragroup
      1) Groups as decision-making units
         a) What is the mechanism by which preferences are aggregated?
         b) What are the implications of the voting rules?
         c) What group influence tactics are or might be brought to bear?
      2) Groups as action units/teams
         a) How are teams organized?
         b) What are the costs and benefits of this variety of teamwork?

(Continued)
the level of specific phenomena, but this may have been at the expense of understanding the broader context and important moderating variables.

In the past decade, social psychology and organizational behavior have become more concerned with exploring the role of social context in shaping behavior (Kramer & Messick, 1995). On a theoretical level, it is clear that the processes and outcomes of negotiation are critically dependent on the social context. However, the social context in many investigations often serves as a catch-all category that includes anything present in the situation that is not explicitly controlled by the experimenters. Often this means that the multiparty and organizational context is ignored in dyadic analysis; or conversely, that fundamental individual and dyadic processes are ignored at the level of intergroup processes. A levels of analysis approach may be a useful means of parsing the social context in negotiation.

Our levels of analysis point to the perils of approaching group negotiation from a single perspective. For example, to argue that group negotiation is fundamentally about coalition formation, social identity, or social influence is to unjustifiably constrain the focus of analysis. We believe the ultimate goal of the theoretician as well as the practitioner should be to seek a comprehensive understanding of groups as they negotiate.

Although we have touted the benefits of examining group negotiation at different levels of analysis, we have not addressed prescriptive issues in any detail. Our belief is that effective intervention programs can be derived from an understanding of rational negotiation (normative analysis) and common obstacles (descriptive analysis) at each of several structural levels. Probably our most significant contribution is to provide a more systematic means of parsing that context and suggesting a framework around which to organize the research literature.

A shortcoming of negotiation research in general, and group negotiation research in particular, is that it has generated few unique theoretical insights. Paradigms are often borrowed directly from the social psychology and group relations literatures. Our levels of analysis framework provides a generative theoretical function by identifying new concepts and new relationships to explore. For example, the analysis of relationships across and on the same side of the bargaining table are unique to negotiation contexts.
Probably the most common criticism voiced by practitioners is that negotiation research fails to provide a comprehensive view of negotiation. The abundant research on the topic is not especially useful because it seldom provides clear prescriptive advice for negotiating optimally. Researchers counter that such a "one size fits all" equation is not possible; the best we can hope to convey are useful ways of evaluating negotiated outcomes and a list of lessons learned from research on the topic. Most researchers have modest aims and value precision over comprehensiveness. As a result, the voluminous research relevant to negotiation can appear to be an intimidating morass of narrow phenomena disembodied from their broader, more natural context. It is our hope that the approach presented in this chapter (and others that follow in its spirit) provides the necessary context and can serve as an interface between theory and practice. For researchers, we hope that this chapter is useful in organizing the literature in a meaningful way to provide a clearer sense of how their work fits into the bigger picture of negotiation within and between organizations, and how it dovetails with other research on related topics. For practitioners, we hope this chapter provides a means of parsing the analysis of complex negotiations as well as a catalog of research that is useful in determining strategies that will produce more satisfactory outcomes.

Of course this early attempt at an overarching framework is only a starting point. To begin with, normative and prescriptive analytical perspectives are yet to be fleshed out more fully at all levels of analysis. And certainly, particular negotiation scenarios map onto this approach better than others. It is our hope that this first attempt will encourage other researchers to develop similar frameworks so that this approach evolves into a more useful method that can facilitate more systematic and thorough analysis of negotiations.

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8. GROUP NEGOCIATION


8. GROUP NEGOTIATION


