

The Decision Making Perspective In Negotiation¹

Individual Biases

1. Negotiators tend to be inappropriately affected by the positive or negative frame in which they view risks (Bazerman, Magliozzi, and Neale 1985; Neale and Bazerman 1985).
2. Negotiators tend to anchor their numeric estimates in negotiations on irrelevant information such as arbitrary numbers or manipulated listing prices (Tversky and Kahneman 1974; Northcraft and Neale 1987).
3. Negotiators tend to rely disproportionately on readily available information at the expense of critical but less salient information (Neale 1984).
4. Negotiators tend to be overconfident about the likelihood of attaining outcomes that favor themselves (Bazerman and Neale 1983; Neale and Bazerman 1985).

Competitive Biases

5. Negotiators tend to assume that negotiation tasks are fixed-sum (the mythical fixed-pie);
6. Negotiators tend to miss opportunities for mutually beneficial trade-offs between the parties (Bazerman, Magliozzi, and Neale 1985).
7. Negotiators tend to escalate commitment to a previously selected course of action when it is no longer the most reasonable alternative (Bazerman and Neale 1983).
8. Negotiators tend to overlook valuable, available information by failing to consider the opponent's cognitive perspective (Samuelson and Bazerman 1985; Bazerman and Carroll 1987) and strengths and weaknesses (Radzevick and Moore 2008).
9. Negotiators tend to retroactively devalue any concession made by one's opponent (Ross and Stillenger 1991).

Social Relationships

10. Negotiators often care far more about their relative than their absolute outcomes, preferring Pareto-inefficient outcomes in order to avoid being comparatively disadvantaged (George Loewenstein, Leigh Thompson, and Max Bazerman, 1989). For example, people were found to prefer an outcome of seven dollars for themselves and seven dollars for the

¹ Tsay, C., & Bazerman, M. H. (2009). A Decision-Making Perspective to Negotiation: A Review of the Past and a Look to the Future. *Negotiation Journal*, 25(4), 467-480.

other side over an outcome of eight dollars for themselves and ten dollars for the other party (Blount and Bazerman 1996).

Egocentrism

11. It is extremely common and predictable for parties to overweight views that favor themselves, a phenomenon that results in a motivational bias (Babcock and Loewenstein 1997; Diekmann et al. 1997) to perceive what is fair through a self-serving lens.
12. Loewenstein (1992) showed that negotiators are egocentric and that the more egocentric parties are, the higher the likelihood of impasse.

Motivated Illusions

13. Human beings see themselves, their side of a negotiation, and the future in a considerably more positive light than more realistic assessments would justify (Taylor 1989; Kramer 1994).