

**Getting (More of) What You Want<sup>©</sup>**  
**The Virtuous Cycle of Negotiation as  
Problem-Solving**

**Margaret A. Neale**

**NCWIT**  
**May 2014**

**STANFORD** GRADUATE  
**BUSINESS** SCHOOL OF

# What is a Virtuous Cycle

A process in which a good action or event produces a good result that also causes the process to continue so that more good results happen.

MacMillian Online Dictionary

# In Contrast: Negotiation

- **Competitive, Adversarial, Unpleasant**
  - Negotiation is often seen as an unpleasant mechanism to allocate scarce resources
- **Relying on this frame**
  - Creates a filter through which we and our counterparts assess each other's behavior
  - Escalates conflict where winning becomes more important than what is won
  - Limits opportunities to negotiate

- **While some negotiations are adversarial, others may not be – until we make them so by what we expect.**
- **Some negotiations are about dollars, but there are other dimensions of value we may want to claim or outcomes we wish to achieve.**

# Reorient What is Negotiation

**It is the process where two or more people decide what each is willing to give and hopes to get in their interaction and, through a process of mutual influence, make proposals and agree on a common course of action.**



**Frame your negotiations as collaborative problem solving**

# Reorient What is Negotiable

## Expand what is negotiable

- from (Big “N”) **Negotiations** to (little “n”) **negotiations**
- Include everyday opportunities with a focus on problem solving rather than winning

# What Motivates Your Negotiations?

- Winning the battle
- Getting along
- Creating value
- Claiming value

# What Do You Want (more of)?

- Wealth
- Change
- Achievement
- Reputation
- Control
- Security
- Influence

**It's up to you  
but you need to  
know!**

**Getting a deal is not the  
goal of a negotiation.**

# What you really want from your negotiation is a good deal!



Propose solutions to others' problems that make you better off and them no worse off (or maybe better) than their status quo

# **What Is A Good Deal?**

**To assess the quality of a proposed deal, you need to know (at a minimum!):**

- What are your alternatives if no agreement were reached?**
- What is your bottom line?**
- What is your aspiration?**
- What does the proposal look like from your counterpart's perspective?**

# Why We Need to Negotiate

**Managers were asked to allocate raises among equally skilled and responsible employees.**

When managers were told they might have to give the worker an explanation about the amount of the raise (they might have to negotiate), they gave raises nearly 2.5 times larger to the men than those they allocated to the women.



**Those who were not expected to challenge the decision were disadvantaged before they started!**

# **Why We Don't Negotiate?**

# **Do not even consider negotiating as an option**

- Motivated misperception
  - Nordstrom's
  - The Provost's Decision

# Even Experts Demure

In the 2006 US Open Tennis Grand Slam tournament, a new instant-replay system offered players the opportunity to challenge a maximum number of the line calls of the referees. The challenges of players – regardless of gender – were upheld about 1/3 of the time.

**However, in the US Open, the men challenged 73 calls, while the women challenged only 28 calls!**



**These differences were reconfirmed at the 2013 US Open!**

# **Know others do, but we choose not to negotiate**

- Perceived adversarial nature
- Negative personal attributions (e.g., greedy, not nice, too demanding)
- Low expectations

# Expectations Drive Our Behavior

- **Pygmalion Effect**

(Robert Rosenthal, Pygmalion in the Classroom: Teacher Expectation and Pupils' Intellectual Development, 1968)

- **Stereotyped threat**

(Steele, C. M., & Aronson, J. (1995). Stereotype threat and the intellectual test performance of African Americans. Journal of Personality and Social Psychology, 69(5), 797–811)

# Stereotyped Threat

**Concern a person feels when confirming as true a negative stereotype about one's group that produces anxiety, lowers expectations, and reduces performance and thus, unwittingly, confirms the stereotype.**

**The stereotype: Asians are good in math; females are bad in math.**

**Asian females did significantly better in math performance when their "Asian" identity was primed than when their "female" identity was primed.**

When women took the math test under someone else's name, be it male or female, they performed better than women who used their own name and as well as men.

Shen Zhang, Toni Schmader, and William M. Hall (2013). L'eggo My Ego: Reducing the Gender Gap in Math by Unlinking the Self from Performance. Self and Identity; Shih, M., Pittinsky, T. L., & Ambady, N. (1999). Stereotype susceptibility: Identity salience and shifts in quantitative performance. Psychological Science, 10, 81–84).

# Expectations in Negotiations

**Negative male stereotype** - Negotiators who display the following behaviors tend to perform worse:

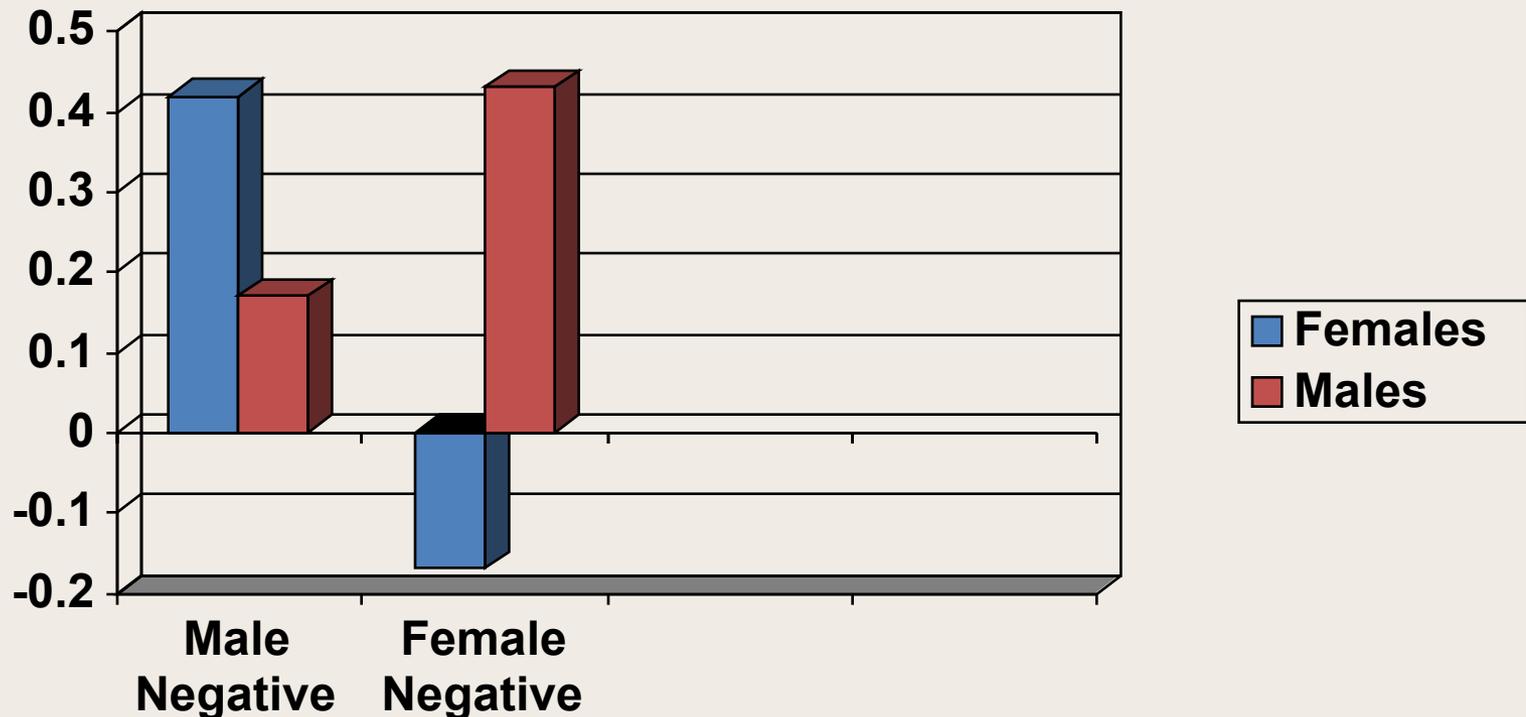
- (1) High regard for personal interests
- (2) dependence on assertive behaviors to move negotiation forward,
- (3) reliance on rational analysis to understand the other's preferences and
- (4) limited displays of emotions.

**Negative female stereotype** - Negotiators who display the following behaviors tend to perform worse:

- (1) Passive and reactive in expressing personal interests
- (2) dependence on own listening skills to move negotiation forward,
- (3) reliance on intuition to understand the other's preferences and
- (4) clear displays of emotions.

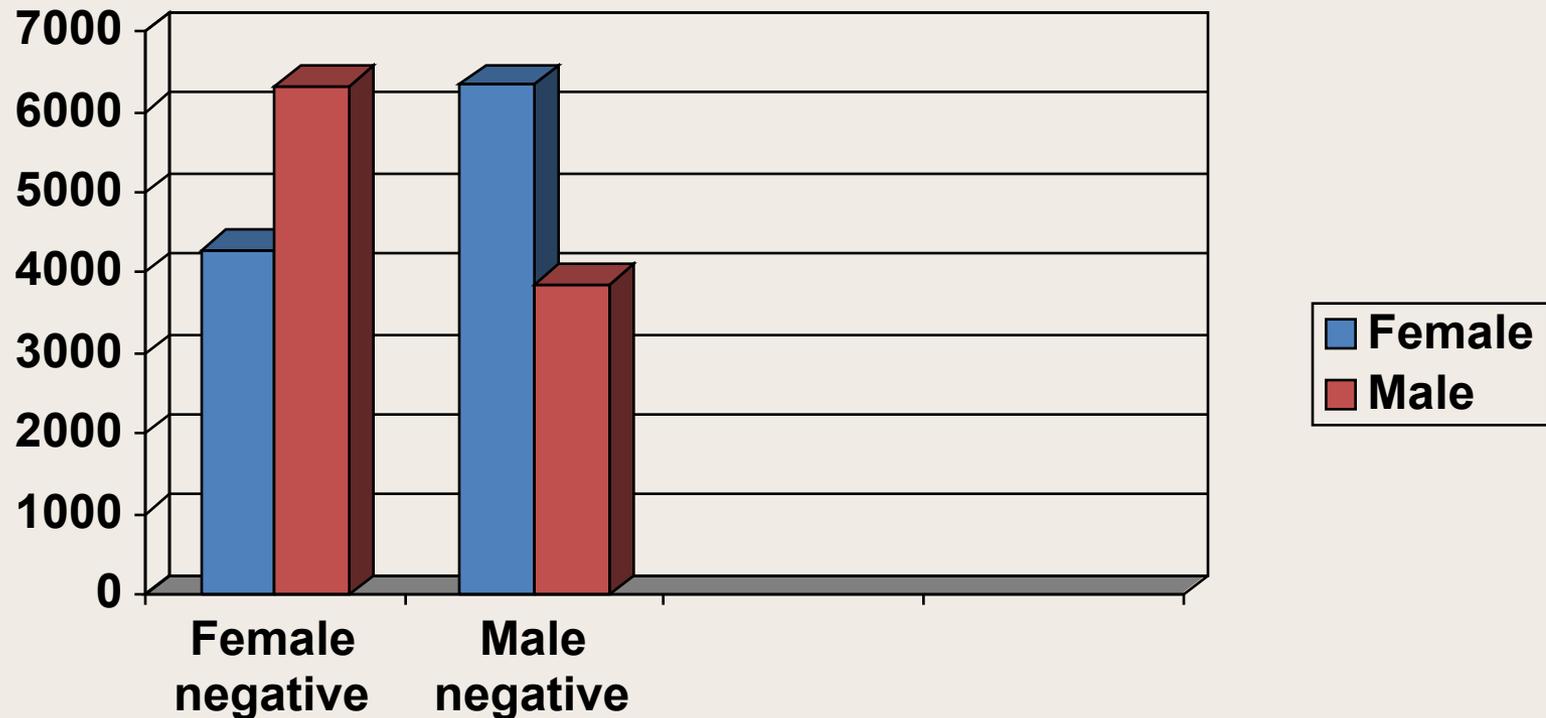
# Aspirations (standardized)

(higher values = more ambitious goals)



Kray, L.L., Thompson, L., & Galinsky, A. (2001). Battle of the sexes: Stereotype confirmation and reactance in negotiations. *Journal of Personality and Social Psychology*, 80 (6), 942-958.

# Negotiation Performance



Kray, Galinsky, and Thompson, 2002. Reversing the gender gap in negotiation: An exploration of stereotype regeneration. *Organizational Behavior and Human Decision Processes*, 87, 386-410.

# Choosing to Negotiate

**Linda Babcock examined the starting salaries of CMU MBA graduates. Starting salaries of men were 7.6% higher than those of women.**

- Only 7% of the women, but 57% of the men had asked for more money (i.e., negotiated on salary).
- No difference in success by gender.
- Of those students who negotiated (most of whom were men) were able to increase their starting salaries by 7.4% – almost exactly the difference between men's and women's starting salaries!

**What's the Real Cost?**

# A Quick Thought Experiment

Suppose at age 30, two equally qualified applicants (Chris and Fraser) get job offers for \$100,000 per year from the same company. Chris negotiates and gets a salary increase of \$107,600 while Fraser accepts the \$100,000 – and they receive the same 5% annual raises each year. Chris retires at age 65.

How much longer Fraser will have to work than Chris to make up the difference?

**Eight years longer**

# It Gets Worse!

What if Chris gets annual raises that are half a percent higher than those granted Fraser over those 35 years – how much longer then?

**Eighteen years longer**

What if the raise differential were one percent?

**Forty-seven years longer**

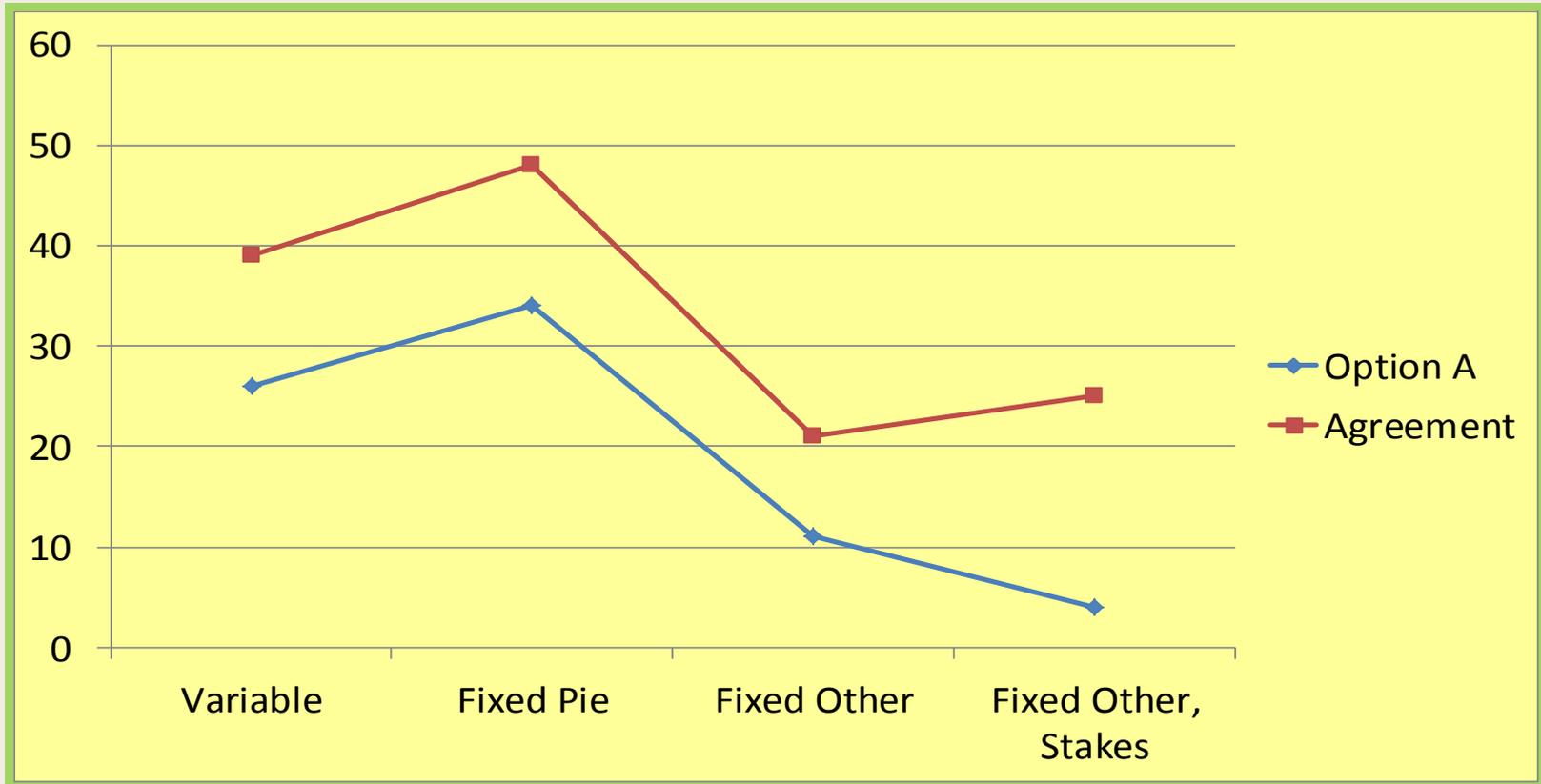
So the cost of not successfully negotiating one's starting salary is an additional **eight** to **forty-seven** years of work!

**And this is the potential cost of just one negotiation avoided. . .**

# How Can You Negotiate for Change?

- Leverage their desire for agreement

# Bias for Agreement



Tuncel, E., Mislin, A., Desebir, S., & Pinkley, R. (2013). The Agreement Bias: Why Negotiators Prefer Bad Deals to No Deal at All. Working paper, St. Louis, MO: Webster University

# How Can You Negotiate for Change?

- Agreement=Success
- Figure Out What Motivates Them

# What Do They Want (more of)?

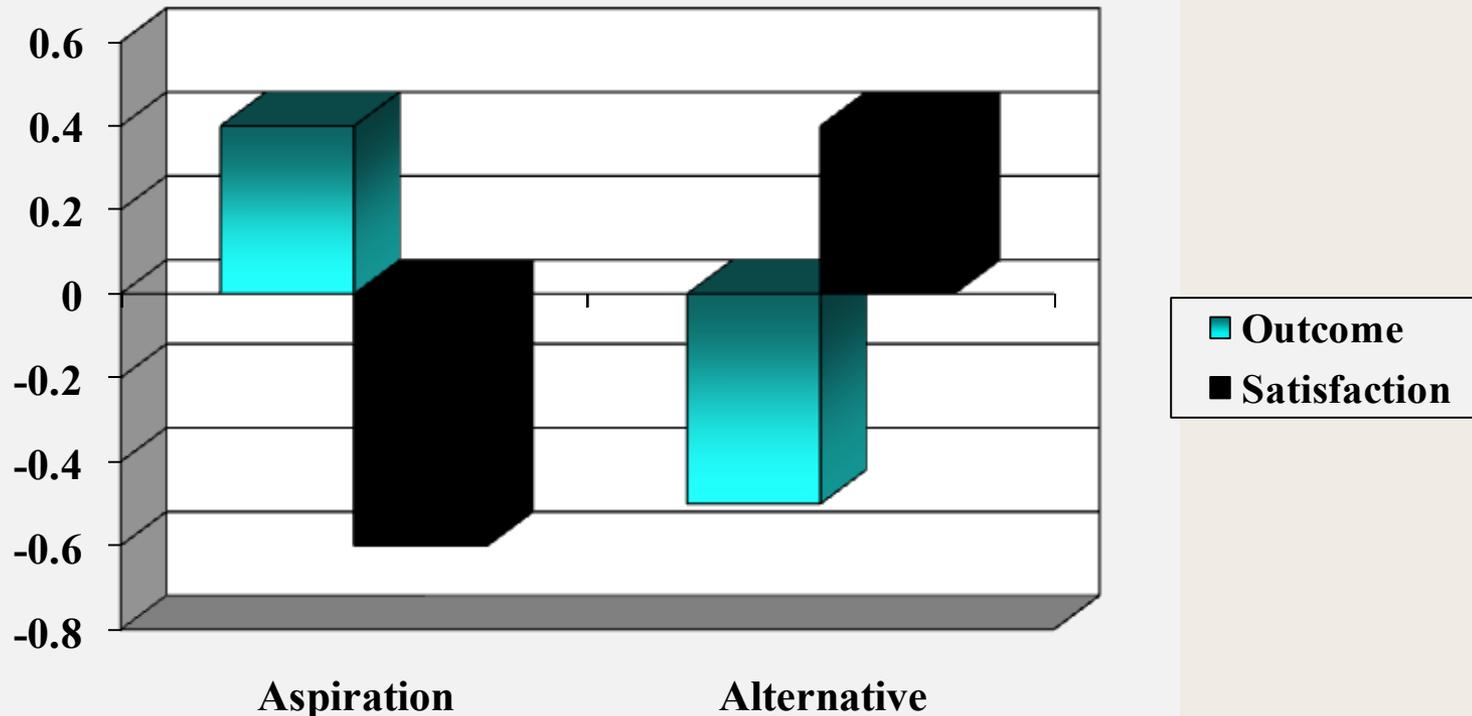
- Wealth
- Change
- Achievement
- Reputation
- Control
- Security
- Influence

**Frame your ask  
to leverage  
their goals**

# How Can You Negotiate for Change?

- Agreement=Success
- Figure Out What Motivates Them
- Emphasize Their Alternatives

# Alternatives Feel Good; Aspirations Do Good



Galinsky, A. D., Mussweiler, T., & Medvec, V. H. (2002). Disconnecting outcomes and evaluations: the role of negotiator focus. *Journal of personality and social psychology*, 83(5), 1131.

# How Can You Negotiate for Change?

- Agreement = Success
- What Motivates Them
- Emphasize Their Alternatives
- Enlist Your Counterparts in Your Quest

# Enlist Others as Problem-Solving Counterparts: Leverage Reciprocity

The Secret Phrase:  
Can you help me?

Flynn, F. J., & Lake, V. K. (2008). If you need help, just ask: underestimating compliance with direct requests for help. *Journal of personality and social psychology*, 95(1), 128.

# Enlist Others as Problem-Solving Counterparts: Ask Differently

Pair your ask with a communal concern for the needs and challenges of your counterparts.

Rudman, L. A., & Glick, P. (2002). Prescriptive gender stereotypes and backlash toward agentic women. *Journal of social issues*, 57(4), 743-762. Heilman, M. E., & Okimoto, T. G. (2007). Why are women penalized for success at male tasks? The implied communality deficit. *Journal of Applied Psychology*, 92(1), 81.

# Why Do We Settle for Less?

- **Self-imposed psychological pressure to get to yes**
  - View agreement as the primary measure of success
  - Concerned with appearing greedy or making your counterparts uncomfortable
  - You have spent so much time negotiating, you cannot possibly walk away without an agreement: Watch out for those sunk costs!
- **Focus on your alternatives, not your aspirations**
- **Ignore your options**
  - You fixate on this agreement
  - You believe you don't deserve more

# Reframe Negotiation as Problem Solving

## Assess

- Is this an opportunity to negotiate; that is, can I improve my status quo?
- Is there information that I have (and my counterpart may not have) that opens up new options and solutions that make me better off?

## Prepare

- What are the real issues in dispute
- Know what you want: Assess your alternatives, set your aspiration and reservation prices
- Gather information about your counterparts' interests, preferences and options

## **Ask**

- Initiate the conversation
- Propose creative solutions that meet the interests of your counterpart while making you better off

## **Package Your Proposals**

- Add issues or simplify a complex issue into multiple issues
- Negotiate at the level of the package, not the issue
  - Avoiding trying to solve the easy issues first
- Use if/then language to yoke concessions across issues
- Frame the package as a communal, problem-solving concern for the other

# To Get (more of) What You Want

**Remember that negotiation is an interdependent process: you can't get a bad deal unless you agree to it.**

- If you accept a bad deal, you will get that bad deal
- If you are prepared to walk away while leaving open the option for your counterpart to make additional concessions, your “no” might motivate them to accept a much better solution for you.

- **Your counterparts are likely to be biased by the potential for agreement.**
- **Their alternatives may be substantially worse than the value of the current deal.**

**But you have to motivate them to share the value with you!**

# **The Power of the Ask**

If you don't ask, how will others know what you want?

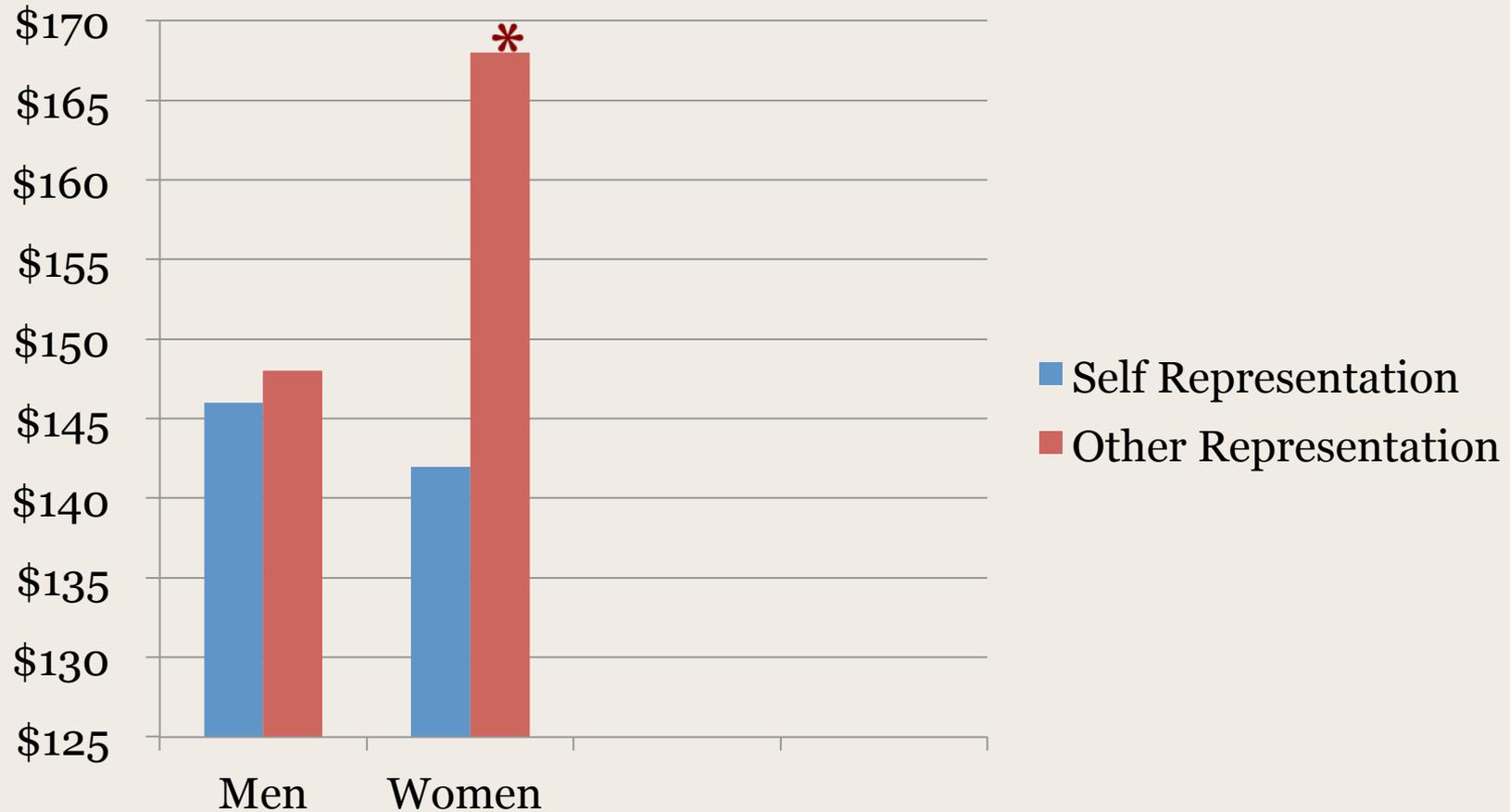
If you don't ask, who will?

# Some folks are better at asking for others than asking for themselves:



While women typically get less for themselves than their male counterparts, women will get more for someone else!

# Compensation Agreement (in thousands)



Bowles, H. R., Babcock, L., & McGinn, K. L. (2005). Constraints and triggers: situational mechanics of gender in negotiation. *Journal of personality and social psychology*, 89(6), 951.

# **Closing Thoughts**

**So for whom do you negotiate? For whom will you ask?**

**Your team?**

**Your organization?**

**For those who come after you?**

# If you want to know more . . .

- Babcock, L., and Laschever, S. (2003) Women Don't Ask: Negotiation and the Gender Divide. Princeton University Press: Princeton, N.J. (research version) or Babcock, L., & Laschever, S. (2009). Ask for it: How women can use the power of negotiation to get what they really want. Random House LLC. (practitioner focused)
- Bazerman, M. H. and Neale, M.A. (1992) Negotiating Rationality. New York: Free Press.
- Brett, J. M. (2001) Negotiating Globally: How to Negotiate Deals, Resolve Disputes, and Make Decisions Across Cultural Boundaries. San Francisco: Josey-Bass.
- Cialdini, R. B. (2009). Influence. New York: Harper Collins.
- Neale, M.A. and Lys, T.Z. (2015) Getting More of What You Want. New York: Basic Books

# And if haven't heard enough of me . .

- **MSNBC –**  
<https://www.openforum.com/videos/3-tips-about-how-women-should-negotiate>
- **Stories We Tell Ourselves about Negotiations**  
<http://www.gsb.stanford.edu/exed/webinars/webinar-past-042313.html>
- **Lean In.org Negotiation** <http://leanin.org/education/negotiation/>
- **Forbes.com**  
<http://www.forbes.com/sites/dailymuse/2013/06/17/why-women-must-ask-the-right-way-negotiation-advice-from-stanfords-margaret-a-neale/>
- **The Power of Effective Negotiation**  
<https://breakfastbriefings.stanford.edu/briefings/power-effective-negotiation>
- **Stanford Innovation and Entrepreneurship Certificate – Negotiation: How to Get (More of) What You Want (online course)**  
<http://create.stanford.edu/courses/negotiating.php>