Chapter 9

THE PSYCHOLOGY OF SETTLEMENT*

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Introduction

Most of us negotiate by the seat of our pants. We may have learned a few gimmicks over the years, but we really don't have a system. We do it by feel. That's okay, but it does leave room for improvement. Scientists are learning more and more about what causes people to make up their minds and what makes them change their minds. Negotiators—and that means all of us—can bring that knowledge to our work and use it to become more effective.

Only a few of the scientists I will discuss study negotiation directly. Most of this new information has to be imported from other fields, sometimes from unexpected places.

The Peak-End Rule

Take a population of 50-somethings on their way in to get their colonoscopy examinations. Half the group gets the colonoscopy the regular, thoroughly unpleasant way: The physician inserts the scope, wiggles it around for an impossibly long time, and takes it out. The other half gets precisely the same examination for exactly the same length of time, but at the end of the procedure, instead of removing the scope, the physician leaves it in place for an additional 30 seconds without wiggling it around. When it's over, both groups are asked to rate the experience and to predict how likely they are to return to have it done again. What result?

The rational expectation would be that the second group had a worse experience than the first. After all, they experienced everything the first group did plus an additional 30 seconds of

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unpleasantness. But that is not what the patients reported. Subjects in the second group reported that they found the experience significantly less disagreeable than subjects in the first group, and they rated themselves more likely to return for follow ups. How can this be?

It turns out that we judge our experiences according to what researchers call the peak-end rule. We pay attention to how good or bad an experience is at its peak and at the end.

We can import this piece of information into our negotiation practice by arranging to be the one who makes the last concession. Even if dealing with you has been painful up to that point, if you agree to concede to your opponent on the final round, it will leave a good taste in his mouth. He will tend to evaluate the entire experience according to the peak-end rule and will be more likely to agree to deal with you again.

Because

Psychologist Ellen Langer arranged to have the copy machines in her university library break down so there would be a line. Then she had experimenters approach people in the line and ask if they could cut in. When the experimenters said, "Excuse me, I have five pages. May I use the Xerox machine because I'm in a rush?" they got a compliance rate of 94 percent. When they said, "Excuse me, I have five pages. May I use the Xerox machine?" they got only 60 percent compliance. That's not terribly surprising: Providing a reason for your request increases compliance. But here's the kicker. When the experimenters said, "Excuse me, I have five pages. May I use the Xerox machine because I have to make some copies?" they got a compliance rate of 93 percent.

Langer concluded that the mere presence of the word "because" increased compliance with the request. As psychologist Robert Cialdini says, "People simply like to have reasons for what they do."

Thus, a sophisticated negotiator will be prepared to give reasons for each of the offers she expects to make. This suggestion is not magic; the word "because" and the addition of some random justification will not make a silly proposal into a sound one. But it does appear that the addition of a justification adds weight, adds stickiness, to a proposal. Therefore, the effective negotiator provides reasons for her positions at every step of the process.

The Contrast Effect

Human beings have trouble making absolute determinations; one thing by itself is hard for us to discuss. What we are good at is relative determinations. If we can compare two things, then we can say which is saltier or heavier, brighter or louder. This leads to a central insight into the psychology of negotiation: If I can control what you compare something to, then I can influence what you think of it. This is the basis of many familiar negotiation techniques.

Take, for instance, the good-cop/bad-cop gimmick—an old chestnut to be sure but one that continues to pay off in interrogation rooms in police stations everywhere. The cops capture a suspect in a crime. First he is interviewed by the bad cop, who threatens him with years in prison, gang rape and beating, and so on. Then that cop leaves and the suspect is interviewed by the good cop. He is offered a cigarette and a cup of coffee. The good cop knows there must be an explanation for what happened and says he can help. If a confession isn't produced immediately, the bad cop, who has been listening from the next room, can barge in and start banging on the furniture again for a while until he is called away and the process repeats.

A cop, of course, is a cop. And if you are a criminal, cops are not your friends. But here the situation is set up so the suspect does not compare the good cop to his criminal friends out in the world; he compares him to the object that has been presented for the purpose of comparison—the bad cop. And compared to the bad cop, the good cop looks like a life saver.

Now consider two different scenarios. First, suppose you are shopping for a briefcase. You see one you like for $100 and you are on your way to the register to buy it when you run into a friend. He tells you exactly the same briefcase is for sale two blocks away for $75. Do you walk two blocks to save $25?

Second scenario. You are shopping for a couch. You see one you like for $1,000 and you are on your way to the register when you run into a friend. He tells you that the exact same couch is on sale two blocks away for $975. Do you walk two blocks to save $25?

Most people answer "yes" to the first question and "no" to the second. Even people who are too rich to care about $25 (or who see the question coming and want to confound the questioner) still sense that their "no" in the first case is weaker than their "no"

in the second. The two-block walk to save $25 on the briefcase seems to make sense, while the two-block walk to save $25 on the couch seems like a waste of time.

This can't be right. The questions are the same: Would you walk two blocks for $25? Either you would or you wouldn't. What the $25 would be spent on has nothing to do with it.

But this is not how we think. It is not how the brain processes the problem. Instead we formulate the problem in our heads as one having to do with percentages. A $25 savings on a $100 item is a 25 percent discount — a good deal. A $25 savings on a $1,000 item is a mere 2.5 percent discount—negligible. I have had students who argue with me about this example. The idea is so rigidly fixed in their minds that they don't see the fallacy even after it has been pointed out.

In another experiment, subjects were asked how much they would be willing to pay to avoid standing in a ticket line for 45 minutes. It turns out they would be willing to pay twice as much to avoid standing in line for $45 tickets as they would to avoid standing in line for $15 tickets.

Again, this cannot possibly make any rational sense. You are you. Forty-five minutes is 45 minutes. Standing in line is standing in line. What you are standing in line *for* has nothing whatever to do with how much you ought to be willing to pay not to do it.

No matter. The point here is that people don't see it that way. We see things differently depending on what we're comparing them to. It's all about context. If you want to look tall, go stand next to a jockey. If you want to look short, go stand next to a basketball player.

One more example. People are invited to a free ice cream bar and told to take as much ice cream as they want. Half the guests are randomly given 17-oz. bowls and half are given 32-oz. bowls. What happens? The people with the large bowls take 31 percent more ice cream than the people with the smaller bowls. Why? Because a large bowl makes a scoop of ice cream look small. It works even if the subjects of the experiment are professional nutritionists, as they were in this example.

One more old story. *The young monk asks the abbot, "Is it all right for me to smoke while I pray?" The abbot says, "No way." Monk goes away. He sees an older monk praying and smoking and asks for an explanation. Older monk says, "You asked the wrong question. The question is, 'Is it all right for me to pray while I smoke?' "*

The principle in negotiation is the same. We can influence our opponent's reaction to our negotiation proposals by paying attention to the way those proposals are packaged. The careful negotiator in the preparation and setup phase begins to think about the contrast and the context he is going to establish.

Rejection Then Retreat

Suppose I ask you to lend me $100 until next week. You decline. I say "Okay, then just make it $10." What happens?

What happens, we know from the experiment, is that you are far more likely to lend me the $10 if we go through the $100 request and denial first than if we don't. Obviously, your willingness to lend me $10 should be independent of whether or not I asked for $100 a minute ago. Your willingness to lend me $10 ought to be based on whether or not you have $10 to spare and whether or not you think I'm good for it. Neither of those facts can possibly have changed in the last 30 seconds.

What has changed is that you have been set up. The contrast effect has caused the $10 request to appear small by positioning it next to a $100 request. And my move from the $100 request to the far smaller $10 request looks like a concession. I opened the negotiation with a request for $100. You declined. I made a large concession and moved to a $10 request. Because I made a large move off of my original position, the reciprocity norm tells you it is your turn to make a large move off of yours.

No fact about the world has changed. You still have exactly as much cash in your pocket as you had before, and I am still exactly as questionable a credit risk as I was before. My odds of getting the $10 out of your pocket and into mine, however, have dramatically improved.

Priming and Schemas

Experimenters put a group of subjects to work on the task of unscrambling anagrams. Half the group is randomly assigned to unscramble words having to do with the elderly—words like "wise," "bingo," and "Florida." The other half unscrambles neutral words like "thirsty," "clean," and "private." When they finish, the experimenters thank them for their time and say goodbye. Then, unknown to the subjects, the experimenters time how long

it takes them to walk to the elevator. The subjects "primed" with the elderly "schema" take an appreciably longer time to shuffle down the hall.

Cordelia Fine says groups of brain cells sleep in big schema beds together. When we shake some cells awake, we also rouse the others who sleep in the same bed and make them more likely to wake up. Whether or not this is the case in terms of neuroanatomy, it certainly appears to be the case experimentally. We seem to have a large number of these schemas in our heads, and when they are primed we behave in certain, predictable ways.

Using another word-scramble task, researchers found that people who received a "rude" prime (e.g., through words such as "disturb," "intrude," "brazen") were quicker to interrupt an experimenter. Other research finds that covert primes for helpfulness make people more helpful, and intelligence primes (words that activate a stereotype of a college professor) make people perform better at Trivial Pursuit.

Another researcher concluded that the scent from a hidden bottle of household cleanser primed the cleanliness schema and made subjects more likely to clean up their cookie crumbs. A schema that makes people more cooperative, a matter that should be of particular interest to negotiators, has to do with food.

Food

In the ancestral environment, he who gives me food is my friend. Families get together and share food. Ceremonial occasions are celebrated with food. Few things are more culturally significant. It is not surprising that food plays an important role in the process of persuasion.

Many social psychology experiments have demonstrated this point. In one, "people snacking on peanuts and soft drinks expressed more agreement with controversial issues than those who were not given such refreshments"

Food is good—there are few statements as true as that for our evolutionary selves. As a consequence, things associated with food are also perceived as good. Things that happen to me while I am eating, including propositions that are introduced to me while I am eating, are perceived as better than those same things or propositions introduced when I am not eating. There is a reason why rug salesmen serve tea and copier salesmen take customers to lunch.

Actually, when you give me food, it sends two messages: (1) that you are a friend, and (2) that I owe you one. And it says both those things at a fundamental level, where I may not be aware of them. The coffee and pastries you serve at your office while we talk about the traffic or the weather or the basketball game do not take place before our negotiation. They are part of it.

During this period, the effective negotiator is asking questions to find out with whom she is negotiating. Are you married? Do you have kids? How old? Where do they go to school? Have you been on any interesting vacations lately? This conversation also serves two purposes. It sends the cue that the inquirer is a friend—anyone interested in my kids is obviously my friend—and it is a form of information gathering.

If I learn that you are sending three kids to college or buying a vacation house or retiring in six months, then I know something that can help me later when I am formulating my offer. My goal as a negotiator is to produce an offer that is most appealing to you at the lowest cost to my side, and the way for me to determine what you find attractive is to learn as much as possible about who you are and what you need. You will tell me these things only if (1) I ask, and (2) you perceive me as a friend. It improves my chance of being perceived as a friend if I offer you food.

Honesty

In an experiment at Harvard, 96 subjects were given a choice either to donate to a communal pot of money or to withhold their donation. Donating yielded the most money to the participants, but only if others donated as well. Half the subjects performed the experiment with a picture of a large-eyed robot named Kismet in front of them, half with no picture. The half who did the experiment with a picture of Kismet present donated 30 percent more money to the pot than the other subjects. A picture of a robot did that.

Terry Burnham, one of the scientists who conducted the experiment, believes that "even though the parts of our brains that carry out decision making know that the robot image is just that, Kismet's eyes trigger something more deep-seated. We can manipulate altruistic behavior with a pair of fake eyeballs because ancient parts of our brain fail to recognize them as fake."

In another experiment at Newcastle University in the United Kingdom, scientists carefully clocked how much money was left

for tea and coffee in the "honesty box" in the departmental coffee room. In the control condition there were pictures of flowers on the price list. In the experimental condition there were pictures of faces with the eyes looking directly out. People left 2.76 times as much money for their drinks in weeks with faces as in weeks with flowers. A 15 cm x 3 cm picture of gazing eyes tripled the amount of money people left.

In another experiment, mirrors placed where children had to see themselves as they stole candy reduced the amount of candy stolen by two-thirds. And people who had earlier watched themselves in a video monitor were half as likely to litter as people who had not.

We like others to think of us as honest, and we like to see ourselves that way too. A careful negotiator—and a frugal manager of the office coffee fund—may wish to keep that in mind when choosing what to put on the office walls.