

Trusting Your Inner Negotiator

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My wife and I recently signed a treaty to end the protracted Thermostat War. It was a hard-fought war at times. With the temperature in our apartment yo-yoing from sauna-like heat to the chill of a meat-locker, compromise seemed out of the question. Yet we did manage to come together in the end and agree on a peaceful compromise. We harbor no ill feelings.

We all negotiate compromises every day, on everything from salaries to children's bedtimes. We make proposals, weigh offers, make cold calculations and factor in feelings, and finally, somehow, settle on matters big and trivial. How do we manage this? How do two unique minds find just the right mix of rational deliberation and emotion to get to "yes," and with surprisingly little drama?

Psychologists are very interested in everyday diplomacy, both for its practical value and for what it says about the negotiating mind. It was once believed that humans are "rational actors," motivated purely by self-interest and maximum gain. But few psychologists buy this idea anymore, simply because there are too many examples of people not acting rationally or selfishly.

Many psychologists now believe that we rely on a variety of cognitive "rules of thumb" to help us with life's decisions, including the give-and-take that makes up daily negotiation. According to this view, we don't have the time or inclination to sort out every particular of every situation, so we focus instead on the essence, the "gist" of the matter: How does this arrangement, this deal, make me feel?

Columbia University psychologists Andrew Stephen and Michel Tuan Pham decided to explore the interplay of emotion and reason in everyday deal-making. They designed a series of laboratory experiments to see if people who trust their feelings (and those who do not) handle themselves differently in the art of negotiation.

To do this, they used a classic psychological test called the "ultimatum game." In the ultimatum game, one person (the "proposer") has a given amount of cash, which he is told to divide with a second person any way he likes. So, for example, he might choose to divide his \$50 right down the middle, keeping \$25 for himself, or he could choose to be more or less generous. The catch is that the second person must either accept the offer or reject it entirely, no negotiation allowed. If he rejects it, both walk away with nothing.

This requires trying to read another's mind and heart. A pure "economic man," a cold calculator, would ask, "How little can I get away with offering him? What amount would he accept and what offer would insult him?" It's a computation. But what if you "feel" the deal rather than compute it? Would the outcome be different? To test this, the psychologists asked volunteers to think of a couple times in their past when they trusted their feelings, with good outcome; this was meant to prime their trust in their own emotions as a guide to decision making. Others were primed to distrust their feelings, and then they all played the ultimatum game as the "proposer."

The results were intriguing. Those who were primed to “feel the deal” offered somewhat less money than the others. This may seem counterintuitive at first, but don’t confuse emotion with generosity. The lower offers indicate that they were actually less calculating and deliberate. That is, they were more focused on the “gist” of the offer itself, what felt good, rather than on computing the other’s possible reaction and the more distant probabilities of advantage and payoff. In short, the immediacy of the offer trumped the more complicated calculation.

The psychologists tried two other variations of the ultimatum game, one with more room for negotiation and one with less. And as they report in the October issue of the journal *Psychological Science*, they got basically the same result. When the volunteers were primed to trust their emotions, they saw the transaction as simpler and cleaner rather than complex and abstract and cognitively demanding. The psychologists believe that emotional negotiators actually have an easier time visualizing the deal: They picture themselves offering someone \$20 from their \$50 pot and it feels “okay.”

Interestingly, the negotiators who were guided by their emotions did not fare worse than the others financially. Indeed, they ended up with at least as much and often more than their more calculating counterparts. So emotional decision making may be both simpler and more advantageous, whether the stakes involve cash or children’s bedtimes or the thermostat in a small apartment.

For more insights into the quirks of human nature, visit the “We’re Only Human . . .” blog at www.psychologicalscience.org/onlyhuman.?