Today’s Topics:

I. The Mythical Fixed Pie of Negotiation
II. The Framing of Negotiation Judgement
III. Escalation of Conflict
IV. Overestimating Your Value in Negotiation
V. Self-Serving Biases in Negotiation
VI. Anchoring in Negotiation
I. The Mythical Fixed Pie of Negotiation
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• Zero-sum thinking

• Reactive devaluation
II. The Framing of Negotiation Judgment
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- Selection of perceptual anchor
- Seeing things as gains or losses
III. Escalation of conflict
III. Escalation of conflict

- Beating the other side vs. optimizing outcome
IV. Overestimating Your Value in Negotiation
IV. Overestimating Your Value in Negotiation

• Overconfidence when your knowledge is limited
• Failure to see existence of settlement zone
• Cure: consult a neutral
V. Self-Serving Biases in Negotiation
V. Self-Serving Biases in Negotiation

- Bilateral negotiations
- Multilateral negotiations / social dilemma
VI. Anchoring in Negotiation
VI. Anchoring in Negotiation

- Anchoring effect of first offer
- Extreme offers: payoff / risk dilemma