Achieving difficult agreements: Effects of Positive Expectations on negotiation processes and outcomes

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Abstract

Two studies demonstrate that negotiation processes and outcomes can be altered by the creation of Positive Expectations. Study 1 participants were American undergraduates seeking agreement with a confederate about allocation of funds to programs differentially favoring undergraduates vs. graduates. Study 2 participants were Israeli Business School students seeking agreement with an Arab confederate about allocation of funds to projects differentially favoring Israelis vs. Palestinians. In both studies prior information suggesting the consistent success of previous dyads prompted acceptance of the confederate’s “final proposal” whereas merely urging participants to try to reach agreement resulted in consistent rejection of the same proposal. Moreover, participants reaching agreement in these Positive Expectations conditions subsequently offered more positive assessments of the negotiation process and of their counterpart than those doing so in control conditions. The theoretical and applied relevance of these findings, including the role played by post-agreement dissonance reduction, are discussed.

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Introduction

Certain negotiations, such as those required for congressional approval of the US federal budget, reaching a new contract with teachers or civil servants, or the post-election formation of a new Israeli cabinet, predictably produce hard bargaining. Nevertheless, while the negotiation in each of these cases is difficult, and the obstacles to agreement at times seem insurmountable, all parties—the negotiators, those affected by the outcome, and experienced observers—can be virtually certain that agreement will be reached. Indeed, failure is “unthinkable.” Our present thesis is that shared knowledge that the negotiation process both must and will succeed not only induces the parties to make the types of difficult compromises that are necessary for agreement, but also transforms the negotiation process in a way that contributes both to the reaching of such agreement and to the parties’ satisfaction.

Consider, for example, the election of a pope. Given the various doctrinal, political, and other sources of division within the Catholic Church, one could imagine that the requirement that two thirds plus one of the participating cardinals agree on a candidate would frequently lead to protracted deadlocks if not outright failures to elect a pope. Yet, at least in modern times, the process inevitably succeeds. The cardinals conduct themselves not only with a sense of urgency but also with a confidence regarding the outcome that is buttressed by an unbroken history of success. This unthinkability of failure and spirit of Habemus papem (we must have a pope) does more than induce some cardinals to make compromises that they would prefer not to make. These sentiments can also help them to justify those compromises, both to themselves and to potential critics of their lack of steadfastness.

The same sentiments may also serve to overcome an important barrier to dispute resolution, that of reactance (Brehm, 1966; Brehm & Brehm, 1981) or reactive devaluation (Ross, 1995; Ross & Stil- linger, 1991; Ross & Ward, 1995). That is, disputants tend to devalue concessions, especially those from the “other side”, as a consequence of their having been “put on the table.” To some extent the problem is one of distrust and negative attributions (i.e., if the “other side” is offering concession X and withholding concession Y, then concession X must be of little value to us, and concession Y is the one that we should strive for). Such devaluation, we argue, becomes less likely when the parties know that both sides are expected to make real compromises in order to succeed and thus, are less likely to attribute offers of such compromise to private knowledge or strategic calculation.

Consider, by contrast, negotiations about corporate acquisitions, international trade and security, or, tragically, efforts to reach peace in the Middle East. In such cases the conviction that failure is possible, and even likely, makes the path to agreement more difficult. And where expectations are low enough, and the history of failure long enough, such failure can become all but inevitable—a case of self-fulfilling prophecy. The parties feel that they
cannot justify making such concessions—not to themselves and not to those who are urging them to hold fast—and they react with caution and skepticism to proposals from the other side. Such devaluation is further heightened by the asymmetry between the value placed on possible “gains” vs. “losses” (Kahneman & Tversky, 1979, 1984, 1995), which makes it more likely that any prospective gains from proposed agreements will be deemed insufficient to compensate for anticipated losses—particularly when the gains, unlike the losses, are seen as mere possibilities.

Our thesis is thus that positive expectations, whatever their source, increase the likelihood of such success because they change the negotiation process and the attributions made during that process. We test this thesis in two studies involving a negotiation between parties with divergent but not incompatible interests—in Study 1, parties who have no history of enmity, in Study 2, parties with a long history of enmity. What we manipulate in both studies is the purported record of previous negotiations between the parties. What we hold constant in both studies (through use of an experimental confederate) is the offer put forward for the participants’ consideration.

**Benefits of positive expectations**

There is no shortage of anecdotal evidence on the impact of pre-negotiation expectations and orientations. Stories associating optimism, goodwill, trust, and respect with success in reaching difficult agreements, and pessimism, ill will, distrust, and lack of respect with negotiation failures are commonplace. But empirical evidence on the effects of manipulating pre-negotiation expectations is relatively sparse. Indeed, Diekmann, Tenbrunsel, and Galinsky (2003) found that although negotiators forewarned about an opponent’s negotiation style claimed that they would respond in kind to competitive vs. cooperative counterparts, their actual responses belied such claims. Individuals who had been led to believe that their counterpart was highly competitive tended simply to negotiate less aggressively and to settle for less than those who had been led to believe that their counterpart was cooperative. The belief that one was facing an angry rather than happy party similarly led to less aggressive bargaining and less personally advantageous outcomes (Van Kleef, De Dreu, & Manstead, 2004).

By contrast, Weingart, Bennett, and Brett (1993) found that explicit instructions to negotiators to adopt a cooperative orientation increased the frequency of integrative solutions. Liberman, Samuels, and Ross (2004) showed that inducing participants to adopt a cooperative orientation with negotiation counterpart, allow one to anticipate that any concession one makes will be appropriately valued and even reciprocated. There is less reason to fear that they will be summarily rejected, yet create a new and less advantageous reference point for future negotiations. Finally, and most relevant to our theoretical contentions, Positive Expectations can foster more favorable attributions regarding one’s counterpart. In the absence of Positive Expectations the parties are apt to reason that, “if they offered this deal it must be good for them… and if it is good for them it must be bad for me” or suspect that “they must know something that we do not; what they are offering must be less valuable than it seems”. Positive Expectations create, or at least permit, more positive attributions (i.e., “the reason they are offering this deal is that they too know that we are expected to reach agreement and have acted accordingly.”) In other words, Positive Expectations do not merely oblige negotiators to accept terms that they would prefer to reject. They change the way those terms and the party offering them are perceived.

Our thesis is that Positive Expectations change the dynamics of the negotiation process itself, including most notably the interpretations the parties place on each other’s actions and the inferences they make about each other. However, the psychological literature leads us also to anticipate dynamic processes that can play a role in the aftermath of agreement. Particularly relevant are Festinger’s (1957, 1964) theory of cognitive dissonance and Bem’s (1967, 1772) self-perception theory. Both of these theories prompt the prediction that parties will come, after-the-fact, to see both the terms of agreement and the party with whom they reached those terms in a more positive light than they had been seen during the negotiation process or than they would have been seen in the absence of an agreement. This would be true even if the parties reached agreement because they felt somewhat obliged to do so in order to keep the record of successes intact, or in order to satisfy the wishes and expectations of third parties, provided that they feel that they had some choice in the matter.

The prediction of post-decisional dissonance reduction is one with both theoretical and applied implications. Such dissonance reduction would demonstrate that participants cared about the agreement that they reached, not merely doing what they thought was expected of them without any sense of personal agency and responsibility. It would also suggest that deals to end real world conflicts that require painful compromises will become more palatable after the decision has been made to accept them.

**The present studies**

The two studies reported here both employed the same research design. In both studies, participants were assigned to represent the interests of a group to which they personally belonged in a negotiation with someone representing the “other side” (but in actuality, an experimental confederate). This negotiation involved the (hypothetical) allocation of newly available funds among five projects, some of which would disproportionately benefit the participants’ own group and some of which would disproportionately benefit the other side. Half of the participants were led to believe that all (Study 1) or almost all (Study 2) previous dyads had reached an agreement (although no explicit suggestion was made that participants were obliged to reach one), while half were told nothing about past negotiation outcomes. All participants were told that the consequence of not reaching an agreement would be the loss of the relevant funding opportunity for the coming year.

In both experiments, the confederate followed a fixed set of instructions, always offering the same initial proposal, and then,
after receiving a counteroffer from the participant responding with a slightly more generous second and “final” offer, which the participants could accept or reject. The primary difference between the two studies was the anticipated level of emotional involvement and the presence or absence of a history of enmity between the groups whose interests were at stake. In Study 1, American undergraduates negotiated with a confederate, whom they believed to be a graduate student, about the allocation of University funds to programs offering various benefits to the two student constituencies. In Study 2, Israeli students negotiated with an Arab confederate about the allocation of government funds to projects (connected to the construction of the security barrier or “fence”) offering benefits to Israeli Jews vs. Palestinians living in the occupied territories of the West Bank.

Study 1: negotiating the allocation of funds to graduate vs. undergraduate programs

Undergraduate participants engaged in a three-stage, role-play, negotiation exercise involving allocation of new funds to various University programs that differed in terms of the relative benefits they offered to graduates vs. undergraduates. The participants negotiated on behalf of their fellow undergraduates with a confederate (following a pre-arranged script) who negotiated on behalf of graduate students. In the Neutral Expectations (or Control) condition, participants were simply told to do their best in trying to reach an agreement. In the Positive Expectations condition, participants were given the same task and instructions, but told that “every single previous dyad (had) succeeded in reaching an agreement.”

In the first stage of the negotiation the confederate made an initial proposal whereby 57.5% of the benefits would accrue to graduate students. The undergraduate participant was then invited to accept that proposal (which none did), or to reject it outright (which none did), or to make a counteroffer (which the confederate always rejected). In the final stage of the negotiation the confederate made a new, slightly more generous proposal, which constituted a “final offer” that the participants were obliged to either accept or reject. At appropriate points in the study, participants were asked to rate the confederate's initial and final proposals, and also to indicate their feelings regarding their negotiation counterpart and the negotiation experience.

Method

Participants

Participants were 34 Stanford University undergraduates (19 females, 15 males) who were recruited from a paid subject pool and randomly assigned to the Positive Expectations or Neutral Expectations condition. Participants received a payment of $10 for their efforts.

Procedure

Upon arrival, the undergraduate participant was seated and introduced to the confederate, who was a 25-year-old male graduate student whom the undergraduate had not previously met. The experimenter began by introducing the two “negotiators” to each other, and immediately proceeded to explain the task at hand. Participants were told that they were to try to reach agreement about the division of a grant between five specified programs or projects. They were further told that the funds in question would be distributed over the next 3 years, starting toward the end of the current academic year, but that if no allocation agreement were reached, no funds would be distributed this year, with negotiations to be resumed next fall. The written instructions were as follows:

Stanford’s School of Arts and Sciences is having a meeting to discuss the division of university resources among its students. In this experiment we want you to deal with a problem: the graduate and undergraduate students have to divide a new grant (between 2 and 4 million dollars) from an anonymous donor between various types of expenditures. There are five projects or programs for which the money must be allocated, and the money allocated to each will be divided between graduate and undergraduate students as indicated below.

<table>
<thead>
<tr>
<th>Undergraduates (%)</th>
<th>Graduates (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds for student activities</td>
<td>80</td>
</tr>
<tr>
<td>Funds for housing and student space expansion</td>
<td>70</td>
</tr>
<tr>
<td>Funds for upgrading computer facilities</td>
<td>50</td>
</tr>
<tr>
<td>Funds for new lab equipment</td>
<td>30</td>
</tr>
<tr>
<td>Funds for scholarships/fellowships</td>
<td>20</td>
</tr>
</tbody>
</table>

It was further explained that the negotiation would last up to three rounds, with the graduate student making the first allocation proposal. Upon receiving that offer, the undergraduate had the option to accept the proposal, reject it without making any counterproposal, or reject it and make a counterproposal. Participants were told that if they decided to reject the offer they received, they would have a brief opportunity to describe the reasons for rejecting it and (in the latter case) their reasons for feeling that a different offer would be more acceptable.

Experimental manipulation

Before leaving the participant and confederate to begin their negotiation task, the experimenter introduced the relevant manipulation. In the Neutral Expectations condition, he merely added: “Although it’s not an easy task, I’d like you to try your best to reach an agreement.” In the Positive Expectations condition, by contrast he said: “Although it’s not an easy task, there is no reason why you can’t reach a mutually acceptable agreement,” adding that in the past “every single pair in our study was able to reach agreement.” To reinforce this manipulation, the confederate, in accord with his pre-arranged experimental script, repeated the statement, with a rise in voice to make that statement a question: “All the pairs have reached agreement so far?” to which the experimenter answered: “Yes, as I said before, although this is a difficult task, there is no reason you shouldn’t be able to reach an agreement.”

The negotiations session

The confederate, as per experimental instructions, first proposed the allocation shown below in Table 1 (which effectively would have allocated 57.5% of the funds to the benefit of graduate students and only 42.5% to the benefit of undergraduates). The undergraduate then rated the fairness of this proposal (on a 9-point scale anchored at 1-very unfair and 9-very fair) and the generosity of the offer to undergraduates (1-less generous than a typical graduate student would offer; 9-more generous than a typical graduate student would offer). The participant was also asked to indicate whether he or she would have accepted the proposal (simply “yes” or “no”) if it had been the graduate representative’s “final offer” and given an opportunity to comment further on that response. At that point, the experimenter asked participants who had not accepted the confederate’s initial offer (which was the case for all participants) to make a counterproposal. The confederate playing the role of graduate representative, considered and rated this proposal, but ultimately rejected it, offering the explanation that the allocation for graduate students ought to be bigger because it
had to “cover support for graduate students, so there is more need.” The confederate then was invited to put forward his own counterproposal, which the experimenter indicated would “have be the final proposal considered,” because the available time for the negotiation had been exhausted. This proposal (see Table 1) effectively increased the percentage of funds that would be allocated to undergraduates from 42.5% of the total to 44% of that total.

The second and final questionnaire was then administered. It asked the undergraduate participants first to rate the fairness and generosity of that final proposal, and then to indicate, via a simple “yes” or “no” answer, whether or not they were willing to accept it (knowing that rejection would mean no additional funding for programs in the immediate future). Having made this decision, participants first answered an open-ended question about their reactions to the proposal they had accepted or rejected, and then rated their feelings about the overall negotiation experience (1-very negative mood overall; 9-very positive mood overall) and about their negotiation counterpart (1-very negatively; 9-very positively).

Results and discussion

Participants’ willingness to accept the confederate’s “final offer”

The effect of the expectations manipulation on participants’ willingness to accept the confederate’s second and final proposal was dramatic. Whereas only 5 of 17 participants in the Control or Neutral Expectations condition accepted that proposal (even though rejecting it entailed a loss of additional funding for graduate and undergraduate programs alike), all 17 participants in the Positive Expectations condition accepted it. This difference in acceptance rates yields a Fisher Exact p value of .000023. It is also worth noting that while no participant in either condition accepted the confederate’s initial offer, 5 of 17 in the Positive Expectations condition said they would have accepted that offer if it had been a final offer whereas no participants in the Neutral Expectations condition did so. Examination of participants’ counteroffers to the confederate’s initial proposals allows us to anticipate the difference later seen in rates of agreement. Participants in the Positive Expectations condition offered a mean of 52.5% of the funds to the benefit of graduates, leaving a “gap” of 3.5% points between that counteroffer and the offer they would next receive from their negotiation counterpart. Participants in the Neutral Expectations condition offered a mean of 48.3% for the benefit of graduates, for a gap of 7.7% points, t(32) = 3.30, p = .002.

Assessments following the initial and final confederate proposals

Did this large between-condition difference in rates of agreement reflect a grudging acceptance by Positive Expectations condition participants of a proposal that they deemed unfair and/or unattractive? The answer is no. Participants in the Positive Expectations condition rated the initial proposal as fairer (M = 5.18 vs. M = 3.65), t(32) = 3.14, p = .004, and more generous to undergraduates (M = 5.29 vs. M = 3.53), t(32) = 3.97, p < .001, than did participants in the Neutral Expectations condition. Positive Expectations participants also offered more positive ratings than Neutral Expectations participants of their “negotiation experience so far” (M = 5.24 vs. M = 4.35), t(32) = 3.77, p = .001, and of the “opposing negotiator,” (M = 5.12 vs. M = 4.47), t(32) = 2.39, p = .02.

These between-condition differences became more pronounced in participants’ responses to the confederate’s slightly more generous final offer (see Table 2). Indeed, both fairness ratings, made before the participants’ accept/reject decision and reported feelings about the negotiation experience made after the accept/reject decision showed significant between-condition differences both in these measures, t(32) = 7.29, p < .001, and t(32) = 5.33, p < .001, and in the relevant change scores, t(32) = 4.35, p < .001, and t(32) = 2.21, p = .03, respectively.

While the relevant between-condition differences were also apparent for pre-decision ratings of the generosity of that second offer, t(32) = 6.62, p < .001 and post-decision feelings about the opposing negotiator, t(32) = 1.96, p = .06, the difference in the relevant change scores was only marginally significant for the generosity ratings, t(32) = 1.73, p = .09, and did not approach statistical significance for the measure of feeling toward the other negotiator, t < 1. In short, knowledge that all previous dyads had reached agreement not only made participants much more likely to accept the confederate’s second and final offer, it also led them, over the course of the negotiation, to offer increasingly positive assessments on negotiation-relevant dimension.

These between-condition differences in ratings suggest that the corresponding between-condition differences observed in acceptance rates reflected more than mere acquiescence to obvious “experimental demands” (Rosenthal, 1994). However, we can address the issue more directly by comparing assessments offered by participants who universally accepted the confederate’s final offer in the Positive Expectations condition with those offered by the minority of participants who accepted the same offer in the Neutral Expectations condition.

Table 1

<table>
<thead>
<tr>
<th>Initial and final proposed allocations by confederate.</th>
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</thead>
<tbody>
<tr>
<td><strong>First proposal</strong></td>
</tr>
<tr>
<td><strong>Suggested allocation (%)</strong></td>
</tr>
<tr>
<td>Scholarships</td>
</tr>
<tr>
<td>30 (20)</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>15 (70)</td>
</tr>
<tr>
<td>Computers</td>
</tr>
<tr>
<td>10 (50)</td>
</tr>
<tr>
<td>Lab equipment</td>
</tr>
<tr>
<td>30 (30)</td>
</tr>
<tr>
<td>Student activities</td>
</tr>
<tr>
<td>15 (80)</td>
</tr>
<tr>
<td>Total % to Undergrads</td>
</tr>
<tr>
<td>42.5</td>
</tr>
<tr>
<td>Total % to Grads</td>
</tr>
<tr>
<td>57.5</td>
</tr>
<tr>
<td><strong>Second (and final) proposal</strong></td>
</tr>
<tr>
<td><strong>Suggested allocation (%)</strong></td>
</tr>
<tr>
<td>Scholarships</td>
</tr>
<tr>
<td>30 (20)</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>10 (70)</td>
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<tr>
<td>Computers</td>
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</tr>
<tr>
<td>25 (30)</td>
</tr>
<tr>
<td>Student activities</td>
</tr>
<tr>
<td>20 (80)</td>
</tr>
<tr>
<td>Total % to Undergrads</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>Total % to Grads</td>
</tr>
<tr>
<td>44</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>Assessments (and changes in assessment) of confederate’s final offer.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating (change)</strong></td>
</tr>
<tr>
<td>Fairness of offer</td>
</tr>
<tr>
<td>Positive Expectations</td>
</tr>
<tr>
<td>7.24 (+2.06)</td>
</tr>
<tr>
<td>Neutral Expectations</td>
</tr>
<tr>
<td>4.24 (+0.59)</td>
</tr>
<tr>
<td>Generosity of offer</td>
</tr>
<tr>
<td>Positive Expectations</td>
</tr>
<tr>
<td>6.40 (+1.12)</td>
</tr>
<tr>
<td>Neutral Expectations</td>
</tr>
<tr>
<td>4.00 (+0.47)</td>
</tr>
<tr>
<td>Mood of participant</td>
</tr>
<tr>
<td>Positive Expectations</td>
</tr>
<tr>
<td>5.59 (+0.35)</td>
</tr>
<tr>
<td>Neutral Expectations</td>
</tr>
<tr>
<td>4.00 (-0.35)</td>
</tr>
<tr>
<td>Feelings about other negotiator</td>
</tr>
<tr>
<td>Positive Expectations</td>
</tr>
<tr>
<td>5.53 (+0.41)</td>
</tr>
<tr>
<td>Neutral Expectations</td>
</tr>
<tr>
<td>4.76 (+0.29)</td>
</tr>
</tbody>
</table>
If the high rate of agreement in the Positive Expectations condition had simply reflected participants’ reluctance to disappoint the investigator and/or break the record of past success, one would expect those participants to have responded to the relatively ungenerous final offer by expressing less-than-positive sentiments about that offer and the individual who offered it. But no such pattern of “grudging acceptances” on the part of Positive Expectations negotiators was found. On the contrary, these “accepters” responded to the experimental induction by perceiving the proposal and its source relatively positively—more positively, in fact, than the handful of accepters in Neutral Expectations condition negotiators who agreed to the same proposal (presumably because they thought well of it and/or because they were easily satisfied) in the absence of any “experimental demands” (see Table 3).

On each of the relevant measures we find that the 17 Positive Expectations condition participants actually reported substantially more positive assessments and feelings, not less, than the five Neutral Expectations condition participants who accepted that same offer1 (and, it is worth emphasizing, much more positive assessments than those offered by 12 participants in that condition who rejected it).

Study 2: negotiating the allocation of funds in service of Israeli vs. Palestinian interests

Study 2 was designed with two main objectives in mind. First and foremost we sought to determine whether the expectation manipulation could facilitate agreement in a context where there is a history of distrust and animosity, and that agreement would therefore be more difficult to dismiss as a product of mere “demand characteristics.” Again, however, our goal in Study 2 went beyond demonstration of between-condition differences in rates of agreement to that of parallel differences in underlying assessments and feelings on the part of the participants. Thus we again examined participants’ assessments about the proposal, their negotiation counterpart, the immediate negotiation process and even the prospects for agreements in the larger conflict.

The second objective in Study 2 was to focus more attention on changes in the assessments and sentiments of the participants that might take place not as a prelude to agreement, but rather as a subsequent justification or explanation of such agreement. The latter possibility, again, is suggested by dissonance theory (Festinger, 1957, 1964). That is, parties making concessions they would prefer not to make—especially when they are ego-invested (Aronson, 1969) in the relevant negotiation outcome—should seek to reduce that post-agreement dissonance by coming to perceive the terms of the agreement, their negotiation counterpart, and the overall negotiation experience more positively. Bem’s (1967, 1972) self-perception theory formulation would predict similar post-agreement assessments, albeit via a less motivational process. Additional post-experimental measures were thus introduced in Study 2 to provide evidence relevant to these predictions.

Method

Overview

Israeli participants engaged in a three-stage resource allocation negotiation with a paid confederate following a manipulation of expectations similar to that employed in Study 1. Whereas participants in the Neutral Expectations condition were simply told to do their best to reach an agreement in the resource allocation task at hand, those in the Positive Expectations condition were given the same task and instructions, but also told that, “virtually all previous dyads had succeeded in reaching an agreement.” In the first stage of the negotiation the confederate made an initial proposal by which roughly 60% of the available funds would be spent to the benefit of Palestinians and about 40% to the benefit of Israelis. The Israeli participant then was invited to accept that proposal, to reject it outright (neither of which any participant did) or to make a counteroffer. In the third and final stage of the negotiation the confederate made a new “final” proposal—one somewhat more favorable to Israeli interests—which the participants had to either accept or reject. Participants were asked to rate each proposal at the time it was received, and also, at various points in the study, to indicate their feelings about their negotiation counterpart and about the negotiation experience.

Participants

A total of 76 Israeli students, 53 males and 23 females (all of whom were Jewish) participated in the study, for which they received credit towards a course requirement. Their average age was 24.5, and all had served in the Israeli army.

Procedure

Upon arriving at the negotiation site the participant was seated at a large table. Soon thereafter the confederate arrived. She was a 25-year-old Arab Israeli woman, whom none of the participants had previously met and who spoke fluent Hebrew with a characteristic Arab accent. The experimenter began by introducing the two “participants” to each other, and then proceeded to explain the task at hand. She indicated (in Hebrew) that “we are going to conduct a negotiation between Israelis and Palestinians in which you [name of the Israeli] are going to represent the Israeli side, and you [Safa] are going to represent the Palestinian side”.

In the Neutral Expectations condition, she next merely stated: “Although it’s not an easy task, I’d like you to try your best to reach an agreement.” In the Positive Expectations condition, she made that same statement but added the observation that “in the past “every single pair in our study was able to reach agreement.”

Notes:
1 The small number of participants who accepted the proposal in the Neutral Expectations condition precluded meaningful significance testing. It also precluded the possibility for undertaking a traditional mediational analysis to consider the degree to which pre-decisional reactions and responses mediated that yes/no decision. As we shall see, the more emotionally challenging negotiation task presented to participants in our second study provided such an opportunity because both conditions in that study produced both accepters and rejecters.
2 Participants were assigned to the Positive or Neutral Expectations condition in a matched-pair design that considered their responses to a prior questionnaire dealing with political attitudes about the Palestinian-Israeli conflict. However, this yoking procedure did not reduce unexplained variance in the participants’ responses, and will not be further considered in this report.
Following this manipulation, the experimenter read aloud the following background information and instructions about the details of their task (which were also printed on the instruction sheet):

*The International Monetary Fund has decided to give 100 million shekels for the benefit of different infrastructures involving building of the fence. After learning about the needs of both sides, a special committee decided on projects to which that money would be allocated. The committee also decided how the money allocated to each project would be divided between Palestinians and Israelis. The division of the money between these five projects is subject to negotiation. You must decide what part (in millions) of the total funds should be allocated to each project (the sum should total 100 M). The funds will be distributed over the next three years starting this summer. The five projects, the specific works to be done for each side on each project, and the relevant allocations to Israelis vs. Palestinians, are listed below.*

<table>
<thead>
<tr>
<th>Projects to be funded</th>
<th>Percentage of Funds going to projects on the Israeli side (%)</th>
<th>Percentage of Funds going to projects on the Palestinian side (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Agriculture</td>
<td>20 Installation of a watering system for some of the fields adjacent to the fence</td>
<td>80 Preparation of additional fields adjacent to fence for agricultural use</td>
</tr>
<tr>
<td>B Sewage</td>
<td>70 Purification of sewage</td>
<td>30 New piping for sewage</td>
</tr>
<tr>
<td>C Paving roads close to the fence</td>
<td>50 Paving of Israeli roads</td>
<td>50 Paving of Palestinian roads</td>
</tr>
<tr>
<td>D Drainage</td>
<td>30 Additional drainage works to complement those already existing providing armor for houses near the fence</td>
<td>70 New drainage to avoid flooding of adjacent villages</td>
</tr>
<tr>
<td>E Housing upgrades and repairs</td>
<td>80 Providing armor for houses near the fence</td>
<td>20 Fixing plaster and painting on houses near the fence</td>
</tr>
</tbody>
</table>

As seen above, some of the projects listed were relatively symmetric in the needs they satisfied and benefits they conferred on the two sides, while others served different needs and conferred unequal benefits.

The experimenter then explained that the three phases would consist of an initial proposal for allocating the 100 million shekels (roughly 20 million US dollars) by the Palestinian representative, followed by a decision of the Israeli representative to accept that proposal or offer a counterproposal, which in turn would be followed (where no agreement had been reached) by a second and final proposal by the Palestinian representative. The Israeli representative would then be free to accept or reject that final proposal (with the consequence, in the latter case, that no funds could be distributed this year) at which point the experiment would be over.

The negotiation session

After reading the instructions, and a 5-min period during which the Arab confederate ostensibly prepared her proposal, and the Israeli participant considered the disbursement information indicated above, the confederate made the “first proposal” which, as indicated in Table 4, would have resulted in 60.5% of the funds serving the interests of Palestinians and only 39.5% serving those of Israelis. (This initial offer was less generous than had been the case in Study 1, which meant that the confederate’s subsequent “final” offer of a 54–46% split would represent a more substantial compromise.)

This proposal was handed to the Israeli representative, and the confederate commented that, “Once the fence is established, Israel should not be concerned with security issues any more and it would be a waste to put more money in security instead of investing in other issues that are important for both sides. She added that, “obviously, the Palestinian side should be compensated more because of the inconvenience the fence would cause them.”

Upon receipt of the confederate’s proposal, the participants completed a questionnaire. The first four items asked them to assess (on appropriately labeled 9-point scales) the fairness of the offer, the size of the other party’s compromise, the participant’s inclination to accept the proposal if it had been a “final” offer, and their current feelings about the other party. In contrast to the case in Study 1, however, it was only after completing these ratings that participants were asked to choose one of the following options: (a) accept the proposal (after which the negotiation will be over); (b) make a counterproposal (to be written on the attached form); (c) reject the proposal outright (and end the negotiation).

When participants opted (as they invariably did) to make a counterproposal rather than accept the initial offer or reject it outright, they were invited to explain the rationale for the terms they had offered, and then, while the confederate pretended to consider that counterproposal, to complete questionnaire items about the fairness of that counteroffer and the size of the concession they and their counterpart would be making if it were accepted. But regardless of the content of the counterproposal, the confederate rejected it and the negotiation session continued.

At that point, the confederate was invited to make a second and “final proposal.” The allocations in this final proposal offered a modest increase in funds for projects of greater benefit to the Israeli side (see Table 4).

Participants were then asked to rate how fair it was, how fair it was compared to the previous offer, how much of a compromise it represented on the part of the other negotiator, how much of a compromise it represented compared to the other negotiator’s previous offer, and how the participant felt about that other negotiator and the overall negotiation experience.

At that point they were reminded that, “The period for negotiation is now over, so the last proposal you received will be the final one to be considered. You have two options. Please circle the option you choose: (a) accept the proposal (b) reject the proposal.”

When that decision had been made, the negotiators were given an opportunity to exchange comments about the negotiation session, with the real participant speaking first. In each case the confederate claimed that she had made a difficult concession in her proposal and that (depending on whether the proposal had been accepted or rejected) she was happy or disappointed with the outcome. A 4-item post-experimental questionnaire was also administered with each item requiring participants to respond on suitably labeled 9-point scales. The first two items asked about the participant’s “general feelings” about (the) “negotiation experience” (1-very negative; 9-very positive) and his or her feelings about the other party (1-very negative; 9-very positive). Item 3 asked them how “rational and sensible” they felt the other party had been (1-not at all; 9-very much) and item 4 asked them to assess the likelihood that they would be able
to come to agreement with the other party on “other matters” (1-very low; 9-very high).4,5

Results

Participants’ accept/reject decisions and counteroffers

In contrast to the case in Study 1, the negotiation sessions in Study 2 often proved to be quite heated and difficult, with the participants frequently expressing frustration and even anger at the confederate. Moreover, the participants clearly cared more about the agreement they were negotiating. Indeed, several Israeli participants sought to extend the interaction with our confederate well past the end of the experimental session. Nevertheless, as in Study 1, the effect of the expectations manipulation on participants’ decision to accept vs. reject confederate’s final proposal for dividing funds proved dramatic. Although the Positive Expectations manipulation did not produce the 100% rate of agreement seen in our first study, 31 of the 38 participants (81.6%) in that condition of Study 2 accepted the offer, whereas only 13 of 38 participants (34.2%) did so in the Neutral Expectations condition, Fisher Exact p = .00006. Also, whereas no participants in either condition agreed to accept the confederate’s initial proposal outright, participants in the Positive Expectations condition indicated a greater willingness to have accepted that proposal if it had been a “final offer” than did participants in the Neutral Expectations condition (M = 4.68 vs. M = 3.61), t(74) = 2.26, p = .03.

As in Study 1, the between-condition difference in rates of acceptance of the confederate’s final offer was foreshadowed by a corresponding difference in participants’ counteroffers (49.7% to Israelis in the Positive Expectations condition vs. 52.3% in the Neutral Expectations condition). t(74) = 2.36, p = .02. The relevant “gap” between this counteroffer and the confederate’s final offer thus became 5.7% points in the Positive Expectations condition compared to 8.3% points in the Neutral Expectations condition. Interestingly, participants in the two conditions did not differ in assessing the fairness of their own proposals or in rating the magnitude of the compromise that it represented (both t values <1). Nor did participants in the two conditions differ significantly in assessing how much of a concession would be required from the other side to reach agreement, (M = 4.82 for Positive Expectations condition vs. M = 5.29 for Neutral Expectations condition), t(74) = 1.32, p = .19.

Assessments following confederate’s initial and final proposals

As in Study 1, our interest in Study 2 lay as much with between-condition differences in assessments offered during and after the exchanges of proposals as with rates of agreement. Inspection of the data for our second study reveals that while between-condition differences were apparent on some measures taken before the participants’ final accept/reject decisions, other pre-decision measures showed no such differences. Indeed, the most noteworthy divergence in the assessments offered by Positive Expectations and Neutral Expectations condition participants occurred on measures completed by participants after making those final accept/reject decisions.

As in Study 1, participants in the Positive Expectations condition rated the confederate’s initial proposal as fairer (M = 4.74) than did participants in the Neutral Expectations condition (M = 3.87), t(74) = 2.38, p = .02. They also expressed more positive feelings about her at that point in the negotiation, (M = 5.76 vs. M = 5.11), t(74) = 2.02, p = .05. But, participants in these two conditions did not differ significantly in rating of how much of a compromise that initial proposal represented, (M = 4.24 vs. M = 4.00), t < 1.

Ratings offered in immediate response to the confederate’s final proposal, prior to the decision to accept or reject it, showed even more modest between-condition differences. While Positive Expectations participants again rated the proposal at hand as fairer (M = 5.53) than Neutral Expectations participants (M = 4.66), t(74) = 2.21, p = .03, participants in the two conditions did not differ in assessing how big a compromise this proposal represented on the part of the other negotiator (both means very close to 5.2). Indeed, Positive Expectations participants actually rated the size of the concession it represented relative to the initial offer as smaller (M = 5.34) than did Neutral Expectations participants (M = 6.03), t(74) = 2.08, p = .04. Furthermore, before making the decision whether to accept or reject the confederate’s proposal, participants in the two conditions did not differ significantly either in their immediate feelings about their negotiation counterpart (M = 6.53 vs. M = 6.08), t(74) = 1.43, p = .16, or in their feelings about their negotiation experience so far (M = 6.47 vs. M = 6.11), t(74) = 1.24, p = .22, although on both measures the non-significant differences favored the Positive Expectations condition.

Mediation of final accept/reject decisions

Given the between-condition differences apparent on various negotiation process variables in both studies, the question of the mediation of accept/reject decisions is an obvious one. Ironically, the very size of the impact of that manipulation (i.e., the relative paucity of rejecters in the Positive Expectations condition and accepters in the Neutral Expectations condition) limits our ability to pursue this issue. Indeed, the complete absence of rejecters in the Positive Expectations condition of Study 1 made it impossible to pursue this issue at all in that study. In exploring the relevant question of mediation in Study 2, we first examined the extent to

Table 4

Confederate’s first and final proposals re allocation of 100 million shekels.

<table>
<thead>
<tr>
<th>First proposal</th>
<th>Second (and final) proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suggested allocation (%)</td>
<td>Percentage of allocation to Israelis (%)</td>
</tr>
<tr>
<td>Agriculture</td>
<td>35</td>
</tr>
<tr>
<td>Sewage</td>
<td>15</td>
</tr>
<tr>
<td>Paving roads</td>
<td>10</td>
</tr>
<tr>
<td>Drainage</td>
<td>30</td>
</tr>
<tr>
<td>Housing activities</td>
<td>10</td>
</tr>
<tr>
<td>Total % to Israelis</td>
<td>39.5</td>
</tr>
</tbody>
</table>
which the impact of the expectations manipulation on participants’ final accept/reject decision was mediated by the size of their counteroffer following the confederate’s initial offer (and hence by the “gap” between that counteroffer and the final offer they would subsequently receive). Following Baron and Kenny (1986), we first regressed participants’ accept/reject decisions on manipulated level of expectations (Positive vs. Neutral) to establish that the relevant experimental manipulation exerted a significant effect on those decisions, $\beta = .480, p < .001$.

We then regressed the hypothesized mediator variable (proposed percentage of funds to the Palestinians in the relevant counteroffer) on manipulated level of expectations to establish that this manipulation also exerted a significant effect on the size of participants’ counteroffers, $\beta = .265, p = .02$. Finally, we regressed participants’ final decisions on both the independent variable and the hypothesized mediator. The results of this analysis showed the size of participants’ counteroffers to be a significant predictor of participants’ final decisions, $\beta = .361, p < .001$, and showed that the manipulation of expectations remained a significant predictor of final accept/reject decisions, $\beta = .384, p < .001$. However, the strength of this direct link was significantly reduced, $z = 2.86, p = .004$.

Thus, while the size of participants’ counteroffers in response to the confederate’s initial offers was indeed a mediator of the effect of the expectations manipulation on the participants’ final accept/reject decisions, it was only a partial mediator. In other words, the Positive Expectations manipulation exerted some of its impact on such decisions through processes other than reduction in the gap between the participants’ counteroffers and the final offers that they received from the confederate.

Similar analyses addressed the possible mediational role of participants’ perceptions of the fairness of the confederate’s final offer. After establishing that the expectations manipulation exerted a significant effect on participants’ perceptions of the fairness of the final offer, $\beta = .249, p = .04$, we regressed the measure of perceived fairness on both the independent variable and the hypothesized mediator. This analysis established that perceptions of fairness were indeed a significant predictor of participants’ final decisions, $\beta = .361, p < .001$. However, the direct effect of the expectations manipulation on final decisions remained significant, $\beta = .390, p < .001$, although significantly weakened, after controlling for the mediator, $z = 2.88, p = .004$. In short, participants’ perceptions of the fairness of the confederate’s final offer, like the size of their own previous counteroffer, partially, but only partially, mediated the effect of expectations on acceptance vs. rejection of that final offer.

Ratings of counterpart and overall experience in aftermath of accept/reject decision

The modest between-condition differences in participants’ pre-decision assessments of that final proposal, coupled with the huge between-condition difference in the percentage of participants ultimately accepting that proposal, might lead one to anticipate that many accepters in the Positive Expectations condition (in contrast to those in the Neutral Expectations condition) would display negative feelings about their experience—resentment, perhaps, about having felt obliged to reach agreement in spite of any misgivings. One might similarly expect rejecters in the Positive Expectations condition to offer more negative post-decision assessments than those in the Neutral Expectations condition. Thus, in the absence of any salutary effects of the Positive Expectations condition manipulation on the negotiation process, one might anticipate less favorable post-decision assessments on the part of Positive Expectations condition participants than Neutral Expectations condition participants.

But this did not prove to be the case (see Table 5). Overall, in the aftermath of their accept/reject decision, participants in the Positive Expectations condition rated the experience, and even more so their feelings about their counterpart, more positively than did those in the Neutral Expectations condition. Indeed, the relevant between-condition differences in the participants’ assessments increased following these decisions to the point where participants in the two conditions now differed significantly both in their ratings of “their overall experience in the negotiation” ($M = 7.29$ vs. $M = 6.47$), $t(74) = 2.29, p = .025$, and especially in their ratings of “how positively” they “felt right now” about the other negotiator, ($M = 7.26$ vs. $M = 5.87$), $t(74) = 3.85, p < .001$. In the case of feelings about the negotiation, the increase in the between-condition difference did not reach statistical significance, $t(74) = 1.46, p = .15$, but in the case of feelings regarding the other negotiator the increase was highly significant, $t(74) = 2.81, p = .006$.

Participants in the two conditions also differed significantly in their post-decision ratings of how “rational/sensible” they had found their counterpart ($M = 6.87$ vs. $M = 5.86$), $t(74) = 2.54, p = .01$. The only post-decision measure showing no significant between-condition difference was one asking participants to rate the likelihood that they would be able to reach agreement with their counterpart on “other matters,” ($M = 7.26$ vs. $M = 6.76$), $t(74) = 1.58, p = .12$.

For both theoretical and applied reasons, it is important to examine separately the post-decisional responses of accepters in the two experimental conditions, (see Table 5). Despite the difference in experimentally-induced expectations and pressures to accept the confederate’s final offer in the two conditions, the many ($N = 31$) accepters in the Positive Expectations condition reported not less, but slightly (although not significantly) more positive feelings about their overall negotiation experience ($M = 7.32$) than the few ($N = 13$) accepters in the Neutral Expectations condition ($M = 7.15, r < 1$). These Positive Expectations accepters also expressed more positive feelings toward the other negotiator ($M = 7.42$) than did the Neutral Expectations accepters ($M = 6.15$), $t(42) = 1.98, p = .05$. Ratings of how rational/sensible the participants found the other negotiator yielded a similar, but not statistically significant, between-condition difference ($Mean = 7.06$ vs. $Mean = 6.85$, $t(74) = 0.97, p = .34$).

### Table 5

<table>
<thead>
<tr>
<th></th>
<th>All Participants</th>
<th>Acceptors only</th>
<th>Rejectors only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive</td>
<td>Neutral</td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Expectations N=38</td>
<td>Expectations N=38</td>
<td>Expectations N=31</td>
</tr>
<tr>
<td>How positive/negative overall negotiation experience</td>
<td>7.29</td>
<td>6.47</td>
<td>7.32</td>
</tr>
<tr>
<td>Present positive vs. negative feelings towards other negotiator</td>
<td>7.26</td>
<td>5.87</td>
<td>7.42</td>
</tr>
<tr>
<td>How rational/sensible other negotiator</td>
<td>6.87</td>
<td>5.86</td>
<td>7.06</td>
</tr>
<tr>
<td>How likely able to reach agreement on other matters</td>
<td>7.26</td>
<td>6.76</td>
<td>7.26</td>
</tr>
</tbody>
</table>

Post-experimental interviews made it clear that this item was interpreted by participants to refer to matters unrelated to the immediate task at hand or to the broader Israeli Palestinian conflict.
6.23, respectively for the Positive Expectations vs. Neutral Expectations condition), t(42) = 1.40, p = .17, while ratings of the likelihood of agreement on other issues showed no difference at all.

Consideration of the participants who rejected the confederate’s proposal offers similarly noteworthy results. The relatively small number (N = 7) of rejecters in the Positive Expectations condition again offered not less, but more positive assessment than the relatively large number (N = 25) of rejecters in the Neutral Expectations condition. The between-condition difference for this subset of participants was significant for ratings of the overall negotiation experience (M = 7.14 vs. 6.12), t(30) = 2.07, p = .05, although not for feelings toward the other negotiator (M = 6.57 vs. M = 5.72), t(30) = 1.49, p = .16, or for ratings of how rational/sensible they found her (M = 6.00 vs. M = 5.60), t < 1, or for assessments of the likelihood of reaching agreement with her on other issues (M = 7.29 vs. M = 6.48), t(30) = 1.70, p = .10.

In short, and of considerable practical significance, while external pressures, perhaps even an experimental demand, to reach agreement may well have been introduced through the Positive Expectations manipulation, the high rate of agreement yielded by that manipulation was not achieved at the price of negative sentiments about the experience or about the opposing negotiator, either on the part of those induced to accept the final offer, or on the part of those who resisted the induction and rejected that offer. These results, it is worth re-emphasizing, are noteworthy insofar as the relevant experimental manipulation presumably pressured ambivalent or even negatively disposed participants in the Positive Expectations condition to accept the Arab confederate’s final proposal, but left participants with such sentiments in the Neutral Expectations condition quite free to reject her proposal. Our present results thus do suggest a salutary effect of the Positive Expectations manipulation not only on the participants’ accept/reject decisions, but also on their feelings about the individual negotiating on behalf of the other side and on their reflections about their overall negotiation experience.

Mediation of post-decision assessments

Having found that Positive Expectations condition participants were more inclined to accept the confederate’s final offer than Neutral Expectations condition participants, and also more positive in their post-decision assessments, we addressed the obvious mediational issue. Again, following the steps suggested by Baron and Kenny (1986), we began by establishing through a regression analysis that the expectations manipulation had a significant effect on post-decisional assessments of the negotiation experience, β = .258, p = .02. Given that the expectations manipulation had exerted a significant effect on the accept/reject decision, we next re-gressed the relevant assessments of negotiation experience both on the acceptance/rejection decision and on expectations condition. These steps established that acceptance vs. rejection of the confederate’s offer was only a marginally significant predictor of overall negotiation experience, β = .216, p = .09.

When we controlled for acceptance/rejection, the participants’ expectations condition no longer exerted a statistically significant effect on the participants’ ratings of their overall negotiation experience, β = .154, ns. With the important qualification that the accept/reject mediator was only a marginally significant predictor of the post-decision measure in question, these data thus suggest that participants’ accept/reject decisions fully mediated the effect of the expectations manipulation on their assessments of their experience.

A final mediational analysis was undertaken to determine the extent to which participants’ accept/reject decisions mediated the effect of the expectations manipulation on their assessments of how “rational and sensible” they deemed their negotiation counterpart. This analysis revealed the manipulation to be a significant predictor of such assessments, β = .284, p = .01. Furthermore, when this dependent variable measure was regressed on expectations condition and acceptance/rejection of the confederate’s offer, the latter was found to also be a marginally significant predictor of that dependant variable, β = .214, p = .09.

When we controlled for accept/reject of the offer, we again found that participants’ expectations condition no longer exerted a significant effect on the relevant dependant variable, β = .181, ns. Therefore, again, with the qualification that the participant’s accept/reject decision was only a marginally significant predictor of the dependent variable in question, participants’ final decisions appeared to fully mediate the effect of the expectations manipulation on participants’ assessments of the rationality and sensibility of their negotiation counterpart.

General discussion

The two present studies demonstrate that both negotiation outcomes and the psychological processes that culminate in and/or follow as a consequence of those outcomes can be altered by the creation of Positive Expectations. In Study 1, the negotiators were undergraduates trying to reach agreement with a confederate, following a predetermined script, about the allocation of funds to various programs and activities offering differential benefits to fellow undergraduates vs. graduates. In Study 2, the negotiators were mature Israeli students, with a history of military service and considerable knowledge about the issue of the security barrier, trying to reach agreement with an Arab confederate (again following a predetermined script) about the allocation of funds to projects offering differential benefits to Israelis and Palestinians.

Our most dramatic finding was that the information, presented in advance of the negotiation session, that all (Study 1) or virtually all (Study 2) previous participants had succeeded in reaching agreement produced much higher rates of acceptance of the confederates “final offer” – an offer that was rejected by an overwhelming majority of participants in both studies who were merely urged to do their best to reach an agreement. Such communications of positive precedents—and the expectation they implied—induced participants both to make more generous counteroffers to an initial, unacceptable, proposal and to accept a later compromise proposal that gave their side less than they felt entitled to receive. This effect was especially noteworthy in study 2, which pitted the negotiators against a confederate representing the interests of an “other side” with whom their “own side” has long been in conflict.

Changes in perceptions during vs. after the negotiation process

While both studies produced between-condition differences in process as well as outcome measures, there was one difference in the findings of the two studies that merits emphasis. In Study 1, the impact of the expectations manipulation on participants’ feelings and assessments was marked, immediate, and apparent on virtually every measure. The undergraduates in the Positive Expectations condition found the graduate student confederate’s first offer more acceptable (and they liked the confederate more in all respects) than those in the Neutral Expectations condition. Moreover, this between-condition difference in assessments increased upon the participants’ receipt and acceptance of the second offer.

In Study 2, the immediate effects of the manipulation on the Israeli participants were more limited. The Positive Expectations participants did rate the initial proposal offered by their Arab counterpart to be somewhat fairer than did the Neutral Expectations participants; they also were slightly more positive in their
personal sentiments toward her. But participants in the two condi-
tions did not differ in their assessments of the magnitude of the
relevant compromise. Furthermore, the between-condition differ-
ences in response did not increase when participants were con-
fronted with the confederate’s second, more generous, final offer.

In Study 2, it was only after that second proposal had been ac-
ccepted by the majority of Positive Expectation participants that the
assessments offered in the two conditions diverge sharply—with
the Positive Expectation participants rating their negotiation coun-
terpart and the overall negotiation experience much more positively
than the Neutral Expectations participants. We can characterize this
apparent change of sentiments following agreement in terms of
rationalization, self-justification, or dissonance reduction. Alterna-
tively, we can characterize such sentiments as insights gained, or
at least a new conviction formed, about the value of reaching any
agreement in the context of the Middle East conflict—even one about
a hypothetical disbursement of funds. But regardless of the exact
source of this post-experimental effect, it belies the often-expressed
concern that in difficult negotiations, optimism is apt to be a precurs-
or to disappointment and “buyers’ regret.”

With the benefit of hindsight, and the comments of some col-
leagues, we wish that we had included measures of participants’
attrition and perceptions regarding not only offers and negotia-
tion counterparts but also their own behavior and themselves. It is
implicit in our conceptual analysis that Positive Expectations lead
participants to make more positive attributions about the compro-
mises they propose and accept. (I acted as if I did for good reasons
rather than bad ones, out of a shared desire to succeed rather than
weakness or lack of resolve.) But we also suspect that Positive
Expectations also led the participants to have more positive views
of their own efficacy and skills. Such conjectures can only be tested
with further research.

Mediational processes and the issue of experimental demand

Measures of participants’ perceptions and responses in the
course of their negotiation sessions were included less to provide
a basis for establishing the mediation of between-condition differ-
ences in negotiation outcomes than to show the effect of the
expectation manipulation on the dynamics of the negotiation pro-
cess and its aftermath. Furthermore, our post hoc attempts at
mediational analysis were made more difficult because there were
no Positive Expectation participants who did not accept the confed-
erate’s offer in Study 1 and very few who did not do so in Study 2.
Conversely, there were relatively few who did accept the offer in the
Neutral Expectation condition in either of the two experiments. But
in a sense, virtually all of our findings speak to the issue of
underlying processes. Positive Expectations, we argue, produced
more generous counteroffers, which in turn left the gap between
that counteroffer and the confederate’s final offer much smaller
in the Positive Expectations condition than in the Neutral Expecta-
tions condition. And Positive Expectations also led to more positive
assessments of the offers and/or the negotiation process—if not
immediately, then after-the-fact.

When we undertook statistical procedures to establish media-
tion in considering the results of Study 2, our findings were quite
straightforward. The effect of the independent variable manipula-
tion on participants’ decision to accept or reject the confederate’s
final offer were partially (but not fully) mediated both by the “gap”
between that offer and the participants’ counteroffer, and by the
participants’ perceptions of its fairness. And, the between-condi-
tion differences in the participants’ post-decisional assessments
of their negotiation counterpart, and also of their overall negotia-
tion experience, were fully mediated by the impact of the manipu-
lation on the participants’ decision to accept vs. reject the
confederate’s final offer.

The mediational question that remains unresolved is a different
and deeper one. That is, how and why do Positive Expectations
change perceptions of negotiation processes and counterparts? Our
assumption is that Positive Expectations are antidote or pro-
phylactic to the tendency for parties to devalue proposals received
from the “other side.” Such devaluation occurs not only as a conse-
quence of reactance reflecting the effects of curtailment of future op-
tions (see Brehm, 1976) but also as a consequence of malignant
attributions and of changes in aspirations and calculations of what
further concessions might be obtainable (see Ross, 1995).

As in the election of a pope, or the passing of a federal budget, or
any other negotiation in which the participants strongly assume
that they both will and must reach agreement, attributions placed
on concessions received in our Positive Expectations conditions
were apt to be benign rather than malignant. In the Neutral Expec-
tations conditions the answer to the question “why are they offer-
ing those terms and why are they offering them now?” is apt to be
that “the other party is offering concession because the proposed
terms are disproportionately to his/her advantage.” By contrast,
in the Positive Expectations conditions the answer was more likely
to be, “the other party is offering that concession because she
knows that we need to reach an agreement, and is trying to address
our concerns and meet us halfway.”

There is one final question of mediation, or at least the source of
our present findings that needs to be addressed. Our Positive
Expectations condition manipulation raises the issue of “demand
characteristics” and even more pointedly “expectancy effects” (see
Rosenthal, 1976). Did participants reach agreement as a conse-
quence of the relevant manipulation simply because they thought
that the experimenter wanted and expected them to do so? We trust
that our readers recognize that the Israeli participants in Study 2 cared
deeply about the possibility of reaching agreement with Palestin-
ians, not only about the issues surrounding the “security fence” but about the more basic issues standing in
the way of a peaceful future—deeply enough for consistency with
their real views and concerns to take precedence over pleasing
the experimenter. But did they really care about the outcome of
their negotiation regarding a hypothetical division of funds? Be-
Hind any anecdotal evidence regarding the degree of concern that
our participants manifested during and after their negotiation ses-
sion, there is one key experimental result that suggests that they
did care, that they recognized the relevance of that outcome to
matters involving their personal identity and integrity. That is,
after accepting their counterpart’s final offer in the face of Positive
Expectations, participants appeared to reduce their residual disso-
ance, which attested to their ego involvement, by expressing
more positive sentiments about their experience and about their
counterparts.

Before leaving the question of demand and expectation, it is
worth distinguishing between experimenter demand and situational
demand. In most real world interventions, the targets of that inter-
vention know the goals and expectations of the parties doing the
intervention. The empirical question of applied and theoretical
concern alike is whether the intervention undertaken is powerful
enough to overcome the relevant personal and situational barriers.
When the outcome measures have real consequences for the actors
and those with whom they interact, the question of whether the
intervention targets know that some social scientist hopes they will
respond in a particular fashion is, in the pejorative sense of the
word, “academic.”

Applied implications: limitations and possibilities

While the present demonstration experiments suggest the po-
tential value of having antagonists approach their attempts to
reach agreement with optimism, two limitations of the present
study are obvious. First, we did not have opposing partisans negotiate with each other in an unfettered fashion. Instead, we had participants with a natural allegiance to one constituency negotiate with a confederate whom they believed to represent the other side—and who, unbeknownst to them, followed a pre-arranged script. The methodological advantage of such a procedure is obvious. It allowed us to hold constant the offers being evaluated and responded to in the two conditions of our experiments. However, it will be important in future research to test the power of Positive Expectations in a negotiation between pairs of actual antagonists. In such a case the final offers put on the table (and the narrowing gap between them) will become a dependant variable of interest, and a potentially important mediator of negotiation outcomes.

The other limitation of the present research is less methodological than pragmatic. One obviously cannot introduce Positive Expectations into real world negotiations through claims about stellar records of past successes when such claims fly in the face of the historical record. Indeed, in some of the most difficult negotiation challenges, confronting diplomats and policy makers, it is the record of past failures that gives rise to Negative Expectations, and to the effects of those expectations, on negotiation processes and even the parties’ willingness to come to the bargaining table. However, Positive Expectations can be based on factors other than past histories of successful negotiations on the issues at hand. They can be based on successes in previous negotiations between the parties on other, more limited issues. Positive Expectations can also be created by mutual expressions of goodwill and commitment, or by a shared understanding of the opportunity provided by some third party’s intervention and willingness to commit resources.

It is also important to note that introducing pressures to reach agreement through the creation of expectations of successful negotiation may not always be positive in its effects. Our present findings speak most directly to cases in which the consequences of non-agreement promise to be worse for the parties than the consequences of any agreement they might reach. But maintenance of the status quo is not always a bad option, and undue pressure to reach agreement may result in an outcome—for example, an ill-advised corporate merger or premature commitment to marriage—that leaves both parties worse off (see Rubin, Kim, & Peretz, 1990).

Nevertheless we choose to close this paper with an expression of hope rather than caution. If our present research gives some basis for optimism about the possibility of bringing theory and research to bear in overcoming barriers to dispute resolution in a strife-torn world, we hope that such optimism will indeed prove to be self-fulfilling, and that practitioners and theorists will be able to find common ground in their efforts to resolve disputes peacefully.

References


