

Study finds good feelings from one negotiation can damage subsequent performance

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Credit: MIT Sloan School of Management

What makes negotiations go well?

For years, Jared Curhan, an associate professor at MIT Sloan, has investigated this question. He has studied strategies for improving objective outcomes as well as subjective, often invisible results, like the emotional state of each side after a negotiation is over. "It's not just the terms of a deal that matter, but also how the parties feel when they walk away," he said.

In fact, Curhan has found that this subjective assessment—the feeling of each [party](#) in the wake of negotiation—is often more important to long-term success than any specific economic outcome. When parties walk away feeling good, the next negotiation generally goes well; when they walk away feeling bad, the next negotiation tends to falter.

But this is not universally true. In the course of his research, Curhan now and again came upon instances when the residual glow of success from one negotiation damaged [negotiations](#) that followed. Partnering with William Becker from Virginia Tech, Curhan sought to understand what led to this reversal. In a recent study published in the *Journal of Applied Psychology*, they found that when negotiations occurred sequentially—a series of one-off meetings with different counterparts—positive feelings in one case usually led to a bad outcome in the next.

"The basic concept is that if you do well in one negotiation, you can attribute that to a number of different causes: You could say you did well because you had an easy counterpart, you could say you did well because you're a great negotiator, and so on," Curhan said. These different attributions create different emotional states. "If you think you did well because you're a great negotiator, that could make you feel prideful, and you may have your guard down going into the next negotiation."

Becker and Curhan tested this hypothesis with both college undergraduates in a lab and employees of a shipping company who

undertook repeated negotiations over fuel prices. In both cases, the pattern stuck: Those who felt prideful in one round suffered in the next round when shifting to negotiate with a new party.

The solution? Ideally, people who negotiate sequentially with different parties should take a break between negotiations. When studying the shipping company, Becker and Curhan found that the pattern didn't hold overnight. People who headed home after a perceived victory returned the following day uninfluenced by the prior day's work. In cases when a daylong pause is impossible, Curhan suggests "a little ritual after each negotiation and before the start of the next one." In his MIT Executive Education course, *Negotiation for Executives*, he recommends negotiators ask themselves two questions after each negotiation: first, what went well in the negotiation? Second, what would you do differently?

"These diagnostic [questions](#) allow the negotiator to have a more balanced take on the negotiation," he said. "The first question highlights strategies that work, but the second question allows the negotiator to think more critically about what happened and to focus on how to do better in the future—in other words, it mitigates any potentially harmful hubristic pride."

"Our state of mind is a very important factor in how we approach negotiations and how well we do," Curhan said. Conventional wisdom, he went on, supports the idea that if you're on a roll you should keep going. "But you have to be careful because while doing well can increase confidence—and a little bit of confidence is good—it can also lead to hubris, and our results suggest hubris raises real risks for the next negotiation."

More information: The Dark Side of Subjective Value in Sequential Negotiations: The Mediating Role of Pride and Anger. *Journal of*

Applied Psychology. psycnet.apa.org/doiLanding?doi=10.1037%2Fap10000253

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