

What It Takes to Succeed: An Examination of the
Relationship Between Negotiators' Implicit Beliefs and Performance

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Chapter to appear in *Social Psychology and Leadership*

One of the most important attributes of a successful leader is the ability to negotiate effectively. We make this bold assertion fully recognizing the complex analytic and strategic decisions that characterize a leader's job because, in order to sell ideas, secure resources, and implement strategy, leaders must work interdependently with others. This observation is especially true in today's business environment wherein the rapid pace of change is unprecedented. The complexity and pace of leaders' decision making has been exacerbated by constantly changing technology, more job mobility, greater access to information, and more diversity in the workplace (Thompson, 2005). Whenever individuals require the buy-in and assistance of others, the ability to negotiate effectively increases the chances of success. This assertion holds true both within and between organizations and regardless of the power relations between parties.

Given the importance of negotiations as a core leadership competency, it is worthwhile to consider what the negotiation process involves. In its simplest form, negotiations enable two or more parties to divide up a fixed pie of resources in such a way that both parties have exceeded their next-best alternative. If a house seller has an existing offer for \$250,000 and only aspires to maximize the sale price, then her decision of whether to accept a competing offer entails assessing whether it exceeds this dollar value. More complex yet equally common negotiations might involve multiple issues and multiple parties with differing priorities, expectations about the future, and attitudes toward risk and time. For example, a more typical negotiation over property includes issues such as closing date, inspection terms, and type of financing. Whereas the seller may prioritize the closing date, the buyer may care more about the inspection terms, thus creating an opportunity to expand the pie by granting each negotiator their most preferred

concession. Across myriad configurations of issues and parties, the negotiation process enables interdependent parties with likely conflicting desires to reach agreement over the division of scarce resources.

Achieving success in negotiations requires a diversity of leadership skills. Negotiations are challenging because they involve a fundamental tension between claiming and creating value (Lax & Sebenius, 1986). Whereas claiming value involves maximizing one's share of a pool of resources, creating value involves expanding the pie through creative problem solving. Value that is created must be claimed, meaning that negotiators must learn to balance both competitive and cooperative motives. Yet the behaviors associated with claiming value are often in opposition to the behaviors associated with creating value. For example, claiming value often involves inflating demands with an assertive opening offer that anchors the negotiation (Galinsky & Mussweiler, 2001) whereas creating value involves openly sharing information to facilitate logrolling (Thompson, 1991) or identifying interests underlying stated positions (Fisher, Ury, & Patton, 1991). By striking a delicate balance between these two approaches, negotiators succeed at securing resources and expanding the pie.

With this brief introduction to negotiations as a backdrop, the focus of the current chapter is the relationship between negotiators' beliefs and performance. We recognize that the past 20 years of negotiation research has been largely cognitive in orientation (cf. Bazerman & Carroll, 1987). Much attention has been paid to negotiators' beliefs about the zone of possible agreements and characteristics of the parties involved. We briefly review several key findings related to negotiator beliefs and the impact that they have on performance as a way of laying a foundation for current research that expands the scope of theorizing about negotiator cognitions. Specifically, we describe recent research identifying implicit negotiation beliefs, which concern

individuals' assumptions about whether negotiating ability is a skill that can be developed versus a fixed trait, as powerful predictors of how well negotiators perform, both in terms of claiming and creating value and in learning negotiation theory. We then lay out a research agenda for further exploration of the role of negotiators' implicit beliefs in a wide range of negotiation processes and outcomes.

Negotiator Beliefs: A Review of the Research

Researchers have long appreciated the importance of negotiators' beliefs in determining how resources are divided and whether they are expanded in such a way that negotiators avoid leaving money on the table. Negotiator beliefs can either provide them the confidence and efficacy they need to persevere or undermine their ability to succeed. Just like self-fulfilling prophecies can produce outcomes consistent with expectations (Rosenthal & Jacobson, 1968), negotiator cognitions do more than just describe reality, they shape it. Although a comprehensive review of the literature on cognition in negotiations is beyond the scope of the present article, below we consider three classes of negotiator beliefs that support the thesis that beliefs matter. Rather than focusing on the beliefs that negotiators may have about specific issues on the table in a particular negotiation, we restrict our discussion to beliefs that define the situation and what it calls for to succeed, as a way of laying a foundation for current research on implicit beliefs in negotiations.

Fixed pie belief. One of the earliest findings in the cognitive revolution was the observation that negotiators often assume that the pool of resources to be divided is fixed. The fixed pie bias is characterized by a belief that the interests of negotiators are opposed and therefore resources are zero-sum (Bazerman & Neale, 1983; Pinkley, Griffith, & Northcraft, 1995; Thompson & Hastie, 1990). If negotiators assume that a negotiation is fixed-sum in nature

when in fact the parties' priorities differ across issues and thus opportunities for trade-offs exist, then they tend to align their behaviors entirely with the goal of claiming value and often leave money on the table. A lose-lose outcome (Thompson & Hrebec, 1996) is often the result of a fixed pie perception because negotiators fail to explore opportunities to satisfy each party's interests. Rather than expending the effort and working to build on differences, negotiators prematurely settle for suboptimal outcomes. Implicit in the notion of a fixed pie bias is the recognition that negotiators' beliefs about the issues on the table affect how well they perform.

Negotiability beliefs. Negotiators' beliefs about whether a situation or issue is potentially negotiable have powerful effects on whether effort is expended to improve offers initially put on the table. Instead of accepting the first offer presented to them, people who believe that an issue is negotiable are more likely to engage in a process characterized by reciprocal concessions. Researchers examining these types of beliefs have focused most of their attention on exposing a perceptual asymmetry between women and men (Babcock, Gelfand, & Small, 2006). In general, much variability exists among individuals in the recognition of the potential to negotiate, which contributes to a gender gap in negotiation performance whereby men tend to reap more favorable outcomes than women (Kray & Thompson, 2005). In much of the experimental research done in the negotiation arena, role playing simulations make it obvious to participants that they are in a negotiation situation. In contrast, the real world is colored by the ambiguity of whether a situation has the potential to be a negotiation. For example, students enrolled in negotiations courses often fret over how they can know which aspects of a job offer are negotiable. Whereas some employers make standard offers to all entry-level candidates, other employers personalize their offers. Implicit in the belief that a situation is negotiable is the assumption that efforts to improve outcomes will be worthwhile.

Effective negotiator beliefs. A third example of the importance of beliefs in determining how well negotiators perform concerns the traits they associate with effective negotiators. When a negotiation is believed to be diagnostic of inherent abilities, negotiators' naïve theories about what it takes to succeed at the bargaining table are activated. Kray, Thompson, and Galinsky (2001) determined that many of the traits associated with effective negotiators are consistent with gender stereotypes. That is, students in an MBA negotiations class ascribed stereotypically masculine traits, such as assertiveness, rationality, and a lack of emotionality, to effective negotiators. When a negotiation is believed to be diagnostic of core abilities, these stereotypes are automatically activated and then negotiators implicitly question whether they possess the attributes required for success. The questioning of negotiators' own ability to succeed affects their confidence, the assertiveness of their opening offers, and ultimately how well they perform. This research suggests that negotiators' beliefs about what it takes to succeed, and whether they possess those traits, dictate how well they do when the stakes are highest.

Implicit Negotiation Beliefs

The above review suggests beliefs about the fixedness of the pie, offers, and traits associated with effective negotiators have robust effects on how negotiators perform. Each of the aforementioned findings regarding negotiator cognition supports the view that beliefs in the rigidity of the negotiation situation and what it takes to succeed undermine effective performance. Negotiators who embrace the view that the pie can be expanded, that anything is negotiable, and that a wide range of traits and styles contribute to success are indeed more successful at the bargaining table. Below we expand on these observations by exploring negotiators' beliefs about the ability of individuals to improve as negotiators. We review

research examining general theories about human personality and aptitude and then explore the implications of implicit theories in the negotiation arena.

In a highly influential approach to examining self-theories, Carol Dweck and her colleagues (Dweck, 1996; Dweck & Leggett, 1988) proposed that implicit beliefs are rarely articulated thoughts regarding the malleability of personality and intelligence that nonetheless have powerful effects on motivation, affect, and behavior. According to Dweck, implicit beliefs fall along a continuum, with entity and incremental beliefs representing the endpoints. Entity theorists are individuals who endorse the belief that an attribute, such as personality or intelligence, is a fixed entity that is difficult if not impossible to change. In contrast, incremental theorists believe that personal attributes are malleable to such a degree that anyone can change even their most basic characteristics through hard work and persistence. Whereas the entity theorist endorses a “nature” viewpoint, the incremental theorist favors a “nurture” viewpoint. Though some evidence suggests individuals hold “implicit person beliefs” that generalize across contexts (e.g., Chiu, Hong & Dweck, 1997; Heslin, VandeWalle, & Latham, 2006), individuals are clearly capable of modifying their viewpoint depending on the domain under consideration. For example, an individual may believe that intelligence is a fixed trait, but that people may demonstrate different sides of their personality depending on the situation. Likewise, an individual may be an incremental theorist with regard to intelligence but an entity theorist with regard to athletic ability. Implicit beliefs regarding personality, morality, intelligence and emotion have been identified (e.g., Chiu, Dweck, Tong & Fu, 1997; Hong, Chiu, Dweck & Sacks, 1997; Tamir, John, Srivastava & Gross, 2007).

Applying the lens of self-theories to negotiations, our research has examined implicit negotiation beliefs and their influence on negotiation processes and outcomes (Kray &

Haselhuhn, 2007a). Implicit negotiation beliefs refer to the belief that negotiation ability is fixed (i.e., the idea of the “born negotiator”) versus the belief that anyone can become a good negotiator through training and hard work. We expected implicit negotiation beliefs to affect negotiation performance in two ways. First, we expected that implicit negotiation beliefs would affect the types of goals negotiators adopted at the bargaining table. Drawing on previous research on more general forms of implicit beliefs (e.g., Dweck & Leggett, 1988), we expected that because incremental theorists believe that people can grow and gain negotiation ability, they would approach negotiations with *mastery goals*, or the desire to learn new things and improve. In contrast, because entity theorists believe that negotiation ability is relatively fixed, we anticipated that they would approach negotiations with *performance goals*, or the desire to demonstrate how well they can negotiate.

Second, we expected implicit negotiation beliefs to determine the amount of effort negotiators dedicated to the conflict resolution process. Effort affects how long negotiators hold out for a concession, how many offers are put on the table, and how persistent negotiators are in reaching agreement versus declaring an impasse. In general, effort has a negative connotation for entity theorists as it can be interpreted to be a sign that one has little intrinsic ability. Incremental theorists, on the other hand, place a high value on effort. Learning and growing are effortful processes that require dedication and commitment, and, indeed, more value is placed on the process of achievement than on the ultimate achievement itself (Hong, Chiu, Dweck, Lin & Wan, 1999). Based on the links between implicit beliefs and effort, we predicted that incremental theorists would exert greater effort in negotiations. Because effort and perseverance have been linked to negotiation success (Bazerman, Magliozzi, & Neale, 1985; Huber & Neale, 1987), we expected incremental theorists to outperform their entity counterparts.

To test our hypotheses regarding the relationship between implicit negotiation beliefs and goals, we designed a three-pronged approach. First, we sought to establish a causal relationship between implicit negotiation beliefs and performance by manipulating beliefs. An additional benefit of this experimental approach is that it allowed us to examine mediating processes that link implicit beliefs to performance. Second, because we believe implicit negotiation beliefs operate within the real world in a fairly stable manner, we examined the impact of dispositional implicit beliefs on performance in a non-experimental setting. Third, because we expected incremental theorists to be more learning-oriented than entity theorists, we sought to determine what effect implicit negotiation beliefs have on actual learning in a classroom setting. In combination, this multi-pronged approach contributes to a robust understanding of the role of implicit negotiation beliefs at the bargaining table.

In our experimental research, we presented novice negotiators with an essay designed to manipulate their endorsement of an entity versus incremental viewpoint and then examined their goals and performance in negotiations. Specifically, participants read an essay designed to spur either incremental or entity beliefs. The essays were titled “Negotiation Ability is Changeable and Can be Developed” versus “Negotiation Ability, Like Plaster, is Pretty Stable over Time.” Each essay included reports from fictitious studies supporting the main thesis of the article. In our first study, after reading one of the essays, participants were given an opportunity to select a negotiation task that they expected to perform. One task was labeled a “learning negotiation task” and was described as offering them an opportunity to learn new concepts and practice their skills, though also exposing them to the risk of failure; the second task was labeled a “performance negotiation task” and was described as providing an opportunity to demonstrate their ability as a negotiator, while also limiting their ability to learn anything new. Consistent

with our theorizing, implicit negotiation beliefs predicted which task negotiators selected: incremental theorists were significantly more likely to prefer a negotiation task that would provide them an opportunity to learn and grow as a negotiator, even if it meant they might not initially succeed. In a follow-up study, we had participants actually complete a distributive negotiation task after being exposed to our essay manipulation. We predicted that the incremental theorists' greater willingness to expend effort to overcome obstacles would lead them to outperform their entity theorist counterparts. Consistent with this hypothesis, we found that negotiators who read a fictitious article proclaiming the fixedness of negotiation ability claimed less of the negotiation pie relative to negotiators who read an article describing negotiation ability as malleable.

We also examined the relationship between implicit negotiation beliefs and both value claiming and value creating in a classroom setting. We measured implicit negotiation beliefs on the first day of a negotiation class and then examined their correlation with negotiation performance throughout the course. Entirely consistent with our experimental findings, we observed that individuals who naturally endorse an incremental viewpoint claimed relatively more of the bargaining pie than their entity counterparts. To explore value creating, negotiators engaged in a simulation characterized by a negative bargaining zone, which exists when a seller's minimum requirement is greater than the buyer's maximum willingness to pay. Specifically, the seller in this negotiation required a minimum of \$580,000 for a gas station whereas the buyer was only authorized to pay up to \$500,000. Although a negotiation with a negative bargaining zone typically ends in impasse, in our simulation negotiators could overcome their initial impasse if they discussed the interests underlying their stated positions and introduced additional terms into the agreement that satisfied these interests. In this simulation,

part of the rationale for the seller's asking price was that he would be taking a trip around the world and wanted to have money in the bank for when he returned and needed to find employment. Because the buyer was looking to purchase a significant number of stations that had to be managed and the seller had established a good reputation as a station owner, negotiators could expand the pie by having the buyer offer a job to the seller upon returning from his travels. By discussing the rationale underlying their offers, negotiators had more information from which they could construct a viable agreement. Notably, success on this task required negotiators to persevere beyond initial stalemates and to expend effort to craft a workable deal. Consistent with our expectations, incremental theorists were more successful at this task than entity theorists. Specifically, we found that the more dyads collectively endorsed an incremental viewpoint, the more likely they were to avoid impasses and instead create an agreement that expanded the pie.

We also showed that implicit negotiation beliefs affect more than just negotiation performance; they impact learning of negotiation theory and the ability to analyze negotiation situations as well. By correlating implicit negotiation beliefs measured on the first day of a semester-long course with final course grades determined 15 weeks later, we found that the implicit negotiation beliefs of students just out of the starting gate of a semester predicted their learning. In particular, the more students endorsed the belief that negotiating ability is a skill that can be developed at the outset, the more successfully they learned course concepts and the better they performed in school.

To understand why implicit negotiation beliefs have the power that they do, we examined the contribution of negotiators' beliefs about their own ability. We reasoned that entity theorists are most vulnerable to underperforming relative to their incremental counterparts when they

doubt their own ability to succeed. As our finding regarding negotiation achievement goals suggests, entity theorists are relatively unwilling to put themselves in a situation wherein they run the risk of failure. Rather than persevering to overcome an obstacle that could potentially lead to failure, we expected entity theorists to give up when they encounter challenges to their success. To test this hypothesis, we measured negotiators' confidence in their ability to succeed prior to engaging in a distributive negotiation. We found an interaction between perceived ability and implicit negotiation beliefs such that entity theorists performed well only when they perceived themselves to be strong negotiators, while incremental theorists performed at a relatively high level regardless of their perceived ability. As shown in Figure 1, entity theorists performed on par with incremental theorists when they were confident in their ability. The pernicious effect of entity beliefs was most pronounced when they doubted their abilities.

Overall, these studies strongly support the idea that implicit negotiation beliefs affect how successfully people negotiate. The belief that negotiation ability can be changed promotes effort and perseverance in all facets of the negotiation process. Value claiming, value creating, and the learning of negotiation concepts are facilitated by the belief that negotiating ability is a skill that can be developed. Below we broaden the scope of investigation of implicit beliefs beyond the negotiation domain to better understand their impact across a variety of leadership settings and to identify directions for future research.

A Wide-Lens Examination of Implicit Beliefs

In this section, we consider several areas of research that speak to the vast impact of implicit beliefs on both negotiations specifically and leadership behavior more generally.

Conflict handling styles. In addition to the effects of implicit beliefs on transactional negotiations, they also affect how individuals approach conflict resolution in interpersonal

relationships (Kammrath & Dweck, 2006). In this context, implicit beliefs refer not to negotiation ability in particular, but rather to beliefs regarding whether people generally can change their basic attributes. In the broader conflict resolution domain, incremental theorists tend to respond to conflict by openly discussing potentially contentious issues and trying to constructively address the situation whereas entity theorists are less likely to approach conflict in such a straightforward manner. In Kammrath and Dweck's investigation of real world conflicts, this divergence in how entity versus incremental theorists approach conflict was strongest when the issues were most important—precisely when constructive problem solving may be most desirable. They theorized that these responses follow directly from beliefs regarding the efficacy of the effortful conflict resolution process. Incremental theorists, who believe that a counterpart in a conflict can change the traits or behaviors at the source of the conflict, are willing to exert effort in important situations as they believe the effort may pay off. Entity theorists, on the other hand, see attempts at change as futile and wasted effort.

Implicit emotion beliefs. Researchers have recently identified individual differences in beliefs regarding the malleability of emotion. In this context, incremental theorists believe that the emotions one feels can be controlled, while entity theorists believe that emotions cannot be changed (Tamir et al., 2007). Emotions are critical for understanding negotiation behavior (Barry, Fulmer, & Goates, 2006; Barry, Fulmer, & VanKleef, 2004). The ability to control anger or frustration at a counterpart's moves is crucial for effectively separating the people from the problem, a key part of the problem solving negotiation style prescribed by practitioners and scholars alike (Fisher et al., 1991). Because the belief that emotions can be changed is so closely tied to the belief that one can personally control their emotions (Tamir et al., 2007), incremental theories of emotion can lead to greater confidence and self-efficacy at the bargaining table.

Implicit morality beliefs. Implicit beliefs regarding morality may be an important factor in negotiations as well. In this context, entity theorists believe that a person's moral character is fixed and that morality and honesty are ingrained aspects of someone's personality whereas incremental theorists believe that moral character is something that can change (Chiu, Hong & Dweck, 1997). Because entity theorists believe moral character to be a fixed attribute, they place great weight on single instances of moral or immoral behavior. In contrast, incremental theorists focus their attention on the contextual factors that may lead a person to act morally or immorally in a given situation. In light of the growing importance researchers and practitioners place on the ethics of negotiation (Shell, 2006), these beliefs are of particular interest. While incremental theorists may view a negotiator's past ethical transgressions as one-off occurrences, entity theorists will likely interpret a previous instance of unethical behavior as a strong predictor that the negotiator will not hesitate to act unethically in any future interaction, regardless of the context. Likewise, if incremental theorists have a more contextualized view of morality, then they may be more likely to engage in ethically questionable behavior without considering the reputational consequences of even one transgression. In support of this view, a recent study examined the use of deception in a negotiation simulation designed to pose an ethical dilemma. In this study, over 40% of negotiators with incremental beliefs reported misrepresenting material information. In contrast, less than 15% of negotiators holding entity beliefs reported engaging in similar deception (Haselhuhn, Schweitzer & Kray, 2007). These initial findings suggest implicit morality beliefs have strong implications for how ethically people behave, how reputations form, what negotiators expect of others, and negotiators' willingness to forgive past transgressions in dispute situations.

Implicit subordinate beliefs. Moving beyond the specific context of negotiations, implicit beliefs impact interactions between superiors and subordinates in organizational contexts (VandeWalle, 1997; Heslin, Latham & VandeWalle, 2005; Heslin et al., 2006). VandeWalle found implicit person beliefs extend to perceptions of others, such that managers with incremental theories believe that their subordinates can change and grow, while entity theorists place greater weight on initial impressions. As a result, incremental theorists are more likely to coach their subordinates, teaching them important skills that are mutually beneficial. Rather than entering into contentious discussions regarding suboptimal performance, incremental managers are willing to work with their subordinates to improve the situation to a greater degree than entity managers (Heslin et al., 2006). As part of this feedback and coaching process, incremental theorists are more sensitive to changes in performance, both positive and negative, of their subordinates. Entity theorists base their evaluations of subordinates primarily on initial performance outcomes. As people are believed to be unable to drastically change their ability, these initial impressions are thought to generalize to future behaviors as well. Incrementalists, on the other hand, believe that subordinates can change, and therefore place greater weight on more recent performance (Heslin et al., 2005). These findings suggest the entity viewpoint prevents belief updating and may thus result in less accurate evaluations of others over time.

Implicit leadership beliefs. Recently we have begun examining beliefs regarding the malleability of leadership by adapting our scale measuring implicit negotiation beliefs specifically to the leadership domain (Kray & Haselhuhn, 2007b). In our first investigation of how these beliefs may impact leadership behavior, we focused on one critical skill for effective leadership: the ability to process information in an unbiased fashion and avoid the tendency to attend to and overweight information consistent with a pre-existing hypothesis. Previous research

has determined that the confirmation bias is a robust affliction resulting from motivated information processing (Schulz-Hardt, Frey, Luthgens, & Moscovici, 2000). After measuring the implicit beliefs of MBA students enrolled in an introductory organizational behavior course, we correlated their beliefs with their decision making process in a simulation designed to gauge the tendency to engage in biased information processing. Based on the space shuttle Challenger disaster in which decision makers failed to appreciate information suggesting conditions were not favorable for a safe launch, the Carter Racing simulation challenges participants to question the decision to “launch” by considering information that could potentially disconfirm this dominant hypothesis. As making strategic decisions is a central job of leaders, we expected implicit leadership beliefs would impact how participants’ approached the task. Our analyses suggest that incremental theorists were significantly more likely than entity theorists to process information in a balanced manner. As a result, incremental theorists were significantly less likely to make a decision consistent with the ill-fated Challenger launch. These findings clearly suggest that implicit beliefs affect the manner in which information is processed.

A Research Agenda

Given the importance of implicit negotiation beliefs on negotiation and leadership performance, we encourage future research that broadens the breadth and depth of our understanding of their impact. Although the possible avenues for future research are vast, we restrict our discussion to three possible paths. Specifically, we consider the impact of implicit beliefs on assessments of negotiating parties, negotiator preferences, and willingness to negotiate.

Negotiator assessments. Reputations matter in negotiations (Tinsley, O’Connor, & Sullivan, 2002). Knowing what to expect from one’s negotiating partner helps to determine what

information to reveal and when to do so. If negotiators expect their partners to be weak due to past ineffectiveness, then they may fall prey to overconfidence in their ability to prevail without sufficient consideration of alternatives or preparation. We expect that negotiators with entity beliefs should believe that past negotiation outcomes are stronger predictors of future success or failure compared to incremental theorists. If, however, the contexts of two negotiations are sufficiently different that these assumptions prove faulty, then entity theorists may be more likely to fall victim to the fundamental attribution error (Ross, 1977). A negotiator who has performed poorly in the past may improve in future negotiations, or may try new things at the bargaining table that could lead to different results. Similarly, a negotiator who has performed well in the past could improve or regress should they try new tactics or strategies. These differences in how past performance is evaluated may lead to differences in negotiation preparation.

Negotiator risk attitudes. Implicit beliefs may impact negotiators' attitudes towards risk at the bargaining table. Virtually all methods of creating value in negotiations require that negotiators accept some degree of risk. Specifically, negotiators assume *strategic risk* they reveal information about their preferences that their counterpart could exploit (Roth, 1977). For example, a car buyer who reveals her preference for a red vehicle may pay more if a car dealer claims that he can't keep red cars in stock. Negotiators assume *contractual risk* when they structure a deal on the basis of their uncertain forecasts of the future (Bottom, 1988). For example, a buyer's willingness to pay for a vehicle may be based on her estimates of the car's resale value in 5 years. Because this value will not be known until the future unfolds, the buyer may overpay if her estimates are overly optimistic. Kray, Paddock, and Galinsky (2007) determined that past performance influences how negotiators respond to these two types of risk, with negotiators who have experienced a history of failures more drawn to contractual risk, and

its delay of outcomes until the future, than strategic risk. This effect may be moderated by negotiators' implicit beliefs. Because entity theorists endorse a fixed belief about abilities, we expect that past performance will have a larger influence on current risk attitudes of entity theorists than incremental theorists. Future research that explores how implicit beliefs shape attitudes towards various types of risk in negotiations would be worthwhile.

Along similar lines, many negotiations involve tradeoffs between short-term and long-term performance concerns. Negotiators may have to tradeoff payoffs in the current negotiation in favor of developing a long-term relationship with a negotiation counterpart that will bring returns over an extended period. Entity theorists, with their focus on demonstrating their ability, may be concerned about short-term outcomes, as any loss with no guarantee of a future gain is threatening to one's self esteem. Incremental theorists, on the other hand, approach situations with the goal of learning and gaining competence over time, suggesting that they may be more focused on long-term relationships than are entity theorists. Examining how implicit beliefs affect the trade-offs negotiators make over time is also a promising direction for future research.

Willingness to negotiate. A third direction for future research concerns how implicit beliefs affect the willingness of individuals to problem solve through negotiations. For example, consumers looking to purchase a new car often have the choice between making their purchase at a regular dealership or purchasing the same car at a "no negotiation" dealership. The no-negotiation option appears to be quite successful. Indeed, when General Motors introduced the Saturn brand, a large facet of the marketing campaign focused on the fact that customers would pay the price on the tag, no haggling required (or allowed). Assuming that the no-negotiation dealerships are not benevolently putting their lowest price on the tag, shoppers are essentially paying the dealership a premium to avoid negotiation (Purohit & Sondak, 1999). We hypothesize

that entity theorists will have a greater preference for the no-negotiation dealership relative to incremental theorists for at least two reasons. First, incrementalists will likely see more value in the negotiation process itself as it provides an opportunity to learn and improve for future negotiations. Entity theorists, on the other hand, will likely see the time and effort spent negotiating as an additional cost to buying the car as they perceive little value from the negotiation process itself. Second, in contrast to incrementalists' views of the negotiation as a learning experience, entity theorists view the negotiation as an opportunity to demonstrate their negotiation prowess (or avoid showing the lack thereof). This view suggests that highly confident entity theorists will be more likely to purchase from regular dealerships (as they aim to demonstrate their high level of ability), while entity theorists with lower self evaluations will be more likely to choose the no-negotiation option. Incrementalists' choices, conversely, should be unrelated to perceived ability.

Conclusion

We began this chapter by highlighting the intimate relationship between leadership effectiveness and negotiating ability. With this appreciation of the art and science of negotiation front and center, we then explored one of the most important contributors to negotiation success: the set of beliefs that negotiators bring with them to the bargaining table. First, we acknowledged the deep cognitive roots of early negotiation research with its emphasis on assessing negotiators' beliefs about the fixedness of offers, pies, and contributors to success. Second, we motivated the next generation of negotiator cognition research by introducing implicit negotiator beliefs as a powerful determinant of negotiation performance. Finally, we laid out an agenda for expanding the scope of investigations regarding implicit beliefs at the bargaining table. In so doing, we call

attention to the fact that what it takes to succeed is a belief that success is within reach through hard work and perseverance.

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Figure 1: Relationship between implicit negotiation beliefs, perceived ability, and performance
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