

# Psychological Traps in Negotiation

## Partisan perceptions

- \* People tend to "see" what they expect and wish to see, and what is in their self-interest to see.

## Judgmental overconfidence

- \* People mostly place unwarranted confidence in their own prediction about future events / People usually underestimate the importance of what they do not know.

## Loss aversion

- \* People tend to attach greater weight to prospective losses than to equivalent prospective gains.

## Endowment effects

- \* When something belongs to us, we tend to attach a greater-than-market value to it because it is ours.

## Reactive devaluation

- \* People often devalue a proposal received from someone perceived as an adversary, even if the identical offer would have been acceptable when suggested by a neutral or an ally / A concession that is actually offered is valued less than a concession that is withheld.

## Scarcity principle

- \* Opportunities generally seem more valuable to us when their availability is limited.

## Anchoring and adjustment

- \* People who hear high or low numbers as initial starting points are often affected by these numbers and unconsciously adjust their expectations in the direction of the opening number.

## Attribution bias / Similarity principle

- \* Most people tend to believe others are like themselves / We tend to trust people who appear more than less similar to us.

## Fundamental attribution error

- \* There is a common tendency to ascribe other people's behavior to their personality rather than to the situation they are in.

Sources: Robert H. Mnookin, Scott R. Peppet, Andrew S. Tulumello, *Beyond Winning – Negotiating to Create Value in Deals and Disputes*, Belknap Press of Harvard University Press, 2002 + Michael Wheeler, *Anxious Moments: Openings in Negotiation*, Negotiation Journal, April 2004