

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