

**MindSets:  
Sensemaking and Transition in Negotiation**

**Mara Olekalns  
Melbourne Business School**

**Philip L. Smith  
Dept of Psychology**

**University of Melbourne**

*Forthcoming chapter in*

W. Donohue, R. Rogan & S. Kaufman (Eds)  
New Framing Conflicts: Theory and Applications

Presented in 2008 at the  
*International Association of Conflict Management Conference, Chicago.*

### **MindSets: Sensemaking and Transition in Negotiation**

A negotiation's opening moments are characterized by high levels of uncertainty. During this phase, individuals screen each other's behavior for clues about underlying goals and motives. Much of this information is conveyed implicitly by the language that negotiators use. The words they choose and the way they respond to the other party provide important clues about negotiators' dominant goals and strategy preferences. At the same time, negotiators use incoming information to assess the other party's intentions. In negotiation, this uncertainty resolves itself into questions about the other party's trustworthiness. Because negotiations are characterized by a vulnerability to the actions of another person, individuals need to resolve uncertainty about the other party's intentions, especially the question of whether the other party will act exploitatively. Consequently, as negotiators monitor the stream of communication, one of their tasks is to determine the likelihood that the other party will act in a self-interested way and claim a greater share of available resources.

Although there are many cues to trustworthiness, including reputation, we focus on initial impressions because they shape negotiators' opening moves and establish confirmatory cycles of behavior (McKnight et al., 1998). How each negotiator interprets the opening moves of the other party flows on to shape both negotiators' strategy choices and their interpretation of the other party's moves. Whether initial impressions are positive or negative, they create a filter that spills over to bias the interpretation of subsequent communication. We are thus interested in the role of perceived trustworthiness as a heuristic that guides negotiators' information search and tactical choices (Lewicki, this volume).

Our focus on initial impressions suggests that thin-slicing, the use of small slivers of behavior to form rapid impressions (Ambady & Rosenthal, 1992; Gladwell, 2005), plays a central role in shaping negotiators' strategy choices. However, we argue that the process of thin-slicing is not objective. First, not all information is weighted equally, even in the opening stages of a negotiation. Instead, as individuals impose structure on the stream of information they receive from their negotiating partners, some aspects of the interaction stand out as having greater salience. Second, information varies in its ambiguity. As the ambiguity of information increases, so does the likelihood that negotiators will interpret the information to be consistent with their pre-existing attitudes and stereotypes (Gladwell, 2005; Olekalns et al., 2005).

In developing our *mindset* construct, we recognize the dynamic nature of social interactions and the possibility that mindsets develop 'online' as individuals search for coherence in what others say and do (Brummans et al., 2008). This view implies that, as well as providing cognitive structure for interactions, mindsets provide a strategic lens that guides individuals' communication. We integrate several related constructs - mental models, schemas, scripts and conflict frames – to describe how mindsets shape the selection and modification of negotiation strategies over time (for related constructs see Gray, 1997; O'Connor & Arnold, 1997; Olekalns & Smith, 2005a; Thompson & Lowenstein, 2003; van Boven & Thompson, 2003). Mindsets extend the concept of frame because they focus on the underlying psychological processes triggered by different mindsets. In particular, our construct helps us to understand the target and depth of information search about other people as well as the events that trigger mindset shifts. We organize our development of this construct around two themes, mindsets as inferential filters and mindsets as strategic lenses.

As *inferential filters*, mindsets can be thought of as cognitive structures that shape how individuals process information about and interpret the behavior of another person. A key function of mindsets is to establish a behavioral threshold against which another person's behavior is assessed. Mindsets, like stereotypes, generate expectations about the likely intentions and behaviors of another person. In the opening moments of a negotiation, these expectations increase the salience of expectation-congruent behavior as well as the inferences that we draw about the other party's intentions. As negotiations progress, mindsets shape how systematically individuals test the validity of their initial assumptions about the other party. Mindset shifts are triggered when expectations are violated because attention is drawn to expectation-incongruent behavior.

As *strategic lenses*, mindsets bring about a distributional shift in negotiators' tactical choices. At any point in a negotiation, individuals select their tactics from a wide array of possible behaviors. We propose that mindsets constrain negotiators' strategy sets. Because mindsets affect negotiators' assessment of the other party's likely motives and intentions, they identify a unique set of concerns in any given negotiation. Negotiators take action to offset these concerns by selecting targeted tactics. Consequently, negotiators choose from a limited range of tactics which is determined by their mindset.

Communication is central to our mindset construct because mindsets are conveyed through negotiators' choice of words (Donohue, this volume). An important implication is that mindsets are not static. Instead, initial mindsets and the accompanying impressions can be disrupted by specific events that regenerate uncertainty about the other party's goals and have the potential to trigger redirections – transitions – in the negotiation process. Our focus on communication implies that

how one negotiator responds to the moves of the other party can change disrupt opening impressions (Olekalns & Weingart, 2008). As negotiators receive new information, they may re-evaluate their expectations and reframe the negotiation. Consequently, over time, patterns of action and reaction both maintain and redefine negotiators' mindsets. Consequently, our mindsets construct is dynamic, allowing for mindset transitions as a negotiation unfolds.

In the following sections, we start by developing a typology of mindsets that integrates existing theory and research on conflict frames and related constructs. Drawing on social cognition research, we then discuss how mindsets act as *filters*, both directing attention to specific aspects of the other party's behavior and shaping how this behavior is interpreted. Extending this analysis, we go on to discuss the way in which mindsets act as strategic lenses that direct negotiators' attention to specific tactical clusters. Finally, recognizing the dynamic nature of negotiation, we discuss the kinds of actions that can trigger mindset transitions.

### **Attentional and Confirmatory MindSets**

There are several typologies of the mental models, scripts and frames that individuals bring to bear on negotiations and disputes. In this section, we identify a set of common themes that emerge in discussions of conflict frames. These themes capture (a) *motivation*, whether negotiators focus on personal or collective outcomes; (b) *exchange*, the emphasis given to the economic or social aspects of the negotiation; (c) *inference*, initial attributions that negotiators make about others' goals and motives; and, (d) *affect*, the emotional tone with which they approach the negotiation or conflict. The four themes can be differentiated on the basis of how they affect the interpretation and analysis of a negotiating opponent's communication. Drawing on these themes, we describe two mindsets, *attentional* and *confirmatory*. We argue that

attentional mindsets, which encapsulate motivation and exchange, direct negotiators' information search whereas confirmatory mindsets, which encapsulate inference and affect, shift initial assumptions about the other party's underlying intentions.

*Attentional MindSets.* In the preceding section, we argued that events which stand out from the incoming flow of information attract negotiators' attention. We also argued that not all information is given equal weight, leaving open the question of what becomes salient to a negotiator, that is, what aspects of the other party's behavior stand from the flow of the negotiation. To answer this question, we focus on the themes of motivation and exchange. Both themes reflect individuals' orientations to the negotiation. They can be thought of as referent-dependent (e.g., Schweitzer & De Church, 2001) in that they determine how negotiators represent the interdependent aspects of the negotiation.

The relative emphasis that negotiators give to personal or collective outcomes is at the center of the motivational theme. The outcome and aspiration frames described by Putnam & Holmer (1992), Pinkley's (1990) win and compromise frames and the power, rights and interests frames identified by Ury, Brett and Goldberg (1993) fit within this broader theme. Outcome and win frames describe an approach to negotiation that emphasizes individual outcomes. This implies that negotiators will take actions that either constrain or confirm independence. A key element of these actions will be the assertion of power and rights (contractual obligations). In comparison, aspiration and compromise frames increase the salience of collective outcomes. A consequence is that negotiators will take actions that protect or affirm the relationship, especially focusing in the underlying needs and interests of the other person.

Negotiators also differ in the relative emphasis that they give to the economic and social aspects of the exchange process (e.g., Cropanzano & Mitchell, 2005). As an example of this distinction, Foa and Foa (1980) differentiate clearly economic resources such as good from social resources such as information and esteem. These distinctions are evident in Pinkley's (1990, 1992) descriptions of task conflict frames, which emphasize tangible resources such as money or property, and relationship conflict frames, which emphasize intangible factors and focus on attributes of the relationship. Extending this idea, we propose that negotiators who are oriented to the economic aspects of a negotiation focus on deal-making. A consequence of this orientation is that they are more concerned with the tangible aspects of the negotiation, placing emphasis on tactics such as proposals, offers and concessions. Conversely, when negotiators emphasize the social aspects of the negotiation, they are oriented to relationship-building. This results in a focus on the intangible aspects of negotiation and leads to greater emphasis on tactics that share information or signal esteem.

Jointly, the themes of motivation and exchange define *attentional* mindsets. We propose that attentional mindsets shift the focus between representations of a negotiation as transactional or relational. Negotiators who start with a transactional mindset are focused on deal-making, or the tangible aspects of the negotiation. This focus aligns with a concern about the self, resulting in an emphasis on personal outcomes. In comparison, negotiators who start with a relational mindset are focused on the intangible aspects of the negotiation. This focus, because it shows a greater awareness of the interdependent nature of negotiation, aligns with a concern for the group and an emphasis on collective outcomes.

*Confirmatory MindSets.* We also argued that once an event attracts attention, it is more closely scrutinized by negotiators. As negotiators try to make sense of these high-salience events, they make inferences about the other party's underlying intentions. To better understand this sense-making process, we focus on the themes of inference and affect because both themes shape the kinds of motives that are attributed to others. These themes identify the mechanisms that individuals use to form impressions of the other party. As a result, they provide a heuristic for assessing the other party's trustworthiness (Lewicki, this volume). They also reflect the possibility that negotiators do not start their interactions with neutral expectations about the other party's motives and intentions. Instead, individuals are likely to approach a negotiation with the assumption that the party intends either to help or to harm them (Eisenberger et al., 2005; McKnight et al., 1998).

Negotiators' initial impressions of the other party shape their inferences about that person's intentions. In the conflict frame literature, this mindset is described as a characterization frame, that is, a frame that ascribes specific intentions and motives to other disputants (Brumans et al., 2008; Putnam & Holmer, 1992). Interpersonal cues early in the negotiation can trigger either the expectation that the other party intends to harm us or help us. Negative characterizations, the expectation that the other person has harmful motives, lower trust (Olekalns & Smith, 2005b). A consequence is that negotiators will assess the risk of exploitation by the other party to be high and take action to prevent losses. In negotiation, this is likely to orient negotiators to the worst outcome that they are willing to accept (Galinsky et al., 2005). On the other hand, positive characterizations establish the expectation that the other party has helpful motives and increase trust (Olekalns & Smith, 2005b). Negotiators who infer positive intentions will assess the risk of exploitation by the other party to be low and

will focus on maximizing gains. A consequence of positive characterizations is that negotiators are likely to orient to the best possible outcome they can attain (Galinsky et al., 2005).

Initial levels of trust will also be influenced by affect. Unlike the other themes that we have described, the emotional tone with which individuals approach a conflict or a negotiation has received relatively little attention in the framing literature. One exception is the distinction between emotional and intellectual frames described by Pinkley (1990, 1992). Our emphasis is not on whether negotiators approach the other party with an emotional or an intellectual perspective, but on the emotional tone with which they start negotiations. We recognize that their emotional tone may reflect spill over from other negotiations or events or may be a rapid reaction to the other party. In either case, emotional tone provides negotiators with information about the intentions of their negotiating partners (e.g., Clore et al., 2001; Lawler & Thye, 1999). Negative affect signals harm, reduces concerns about the ongoing relationship and lowers trust. Consistent with an orientation to harm, in negotiation negative affect is associated with more contentious behaviors. Importantly, and consistent with concerns about exploitation, negative affect narrows information search and increases scrutiny of the other party's behaviors. Positive affect, on the other hand, signals safety, orients individuals to maintaining social relationships and increases trust. In negotiation, positive affect increases the level of cooperation. Moreover, positive moods decrease scrutiny of the other party's behavior (Baron, 1990; Bohner & Weinerth, 2001; Carnevale & Isen, 1986; Dunn & Schweizer, 2005; Forgas, 1998; Schwarz, 1990; Shiota, Keltner, Campos, & Hertenstein, 2004).

The themes of inference and affect define *confirmatory* mindsets. We propose that confirmatory mindsets shift the focus between prevention and opportunity.

Prevention mindsets focus negotiators on the likelihood that the other party has negative intentions and is likely to act exploitatively, directing negotiators to take protective actions that prevent loss. Opportunity mindsets focus negotiators on the likelihood that the other part has positive intentions and will act in good faith, orienting them to take actions that maximize opportunities for gain. In the following sections, we discuss implications for information search and strategy selection.

*Priming MindSets.* In this section, we described four possible mindsets. We expect that, at the outset of a negotiation, one of these four mindsets is dominant. Which of the four mindsets is primed is determined by the strategic landscape of the negotiation. By this we mean the context in which the negotiation takes place: individual goals, the emphasis individuals place on economic or social outcomes, assessments of power and the reputation of the other party all contribute to priming a specific mindset. Once primed, the dominant mindset establishes threshold behavioral expectations about the other person. As a result, it shapes how negotiators assess and interpret the other party's behavior as well as their own strategy preferences. However, as we go on to discuss, key events can bring about a shift in negotiators' mindsets.

### **MindSets as Inferential Filters.**

In this section, we elaborate on the argument that mindsets provide an important mechanism for sensemaking, that is, interpreting that words and actions of the other party. Mindsets acts as an interpretive filter that create expectations about how the other party will behave, direct negotiators to search for specific information about the other party and guide their assessment of the other party's goals and motives. They trigger different patterns of information search because they affect the salience of specific behavioral cues, guide both negotiators information search and

their hypothesis testing in relation to the other party's intentions. Consistent with our focus on trust, we propose that attentional mindsets affect the salience of cognitive and affective trust whereas, as we have already argued, confirmatory mindsets shape information search by priming negotiators to assume either malevolent or benevolent intentions.

*Attentional MindSets.* Earlier, we proposed that individuals do not weight all incoming information equally. Consistent with this proposal, research shows that one aspect of information processing is *where* individuals direct their attention. Van Kleef and De Dreu (2002), for example, demonstrated that individuals engage in self-confirmatory information search. By this, they mean individuals use their own expectations to direct their information search: competitive individuals search for information about the likelihood of competitive behaviors from the other party whereas cooperative individuals search for information about the likelihood of cooperation from the other party. We build on this research to propose that attentional mindsets trigger a similar self-confirmatory search in the domain of trust.

Although there are several typologies of trust, a common distinction is between cognitive and affective trust (e.g., McAllister, 1995). Cognitive trust encompasses dimensions of trustworthiness such as ability, competence, reliability and predictability. The central theme is a focus on the behavioral aspects of trust and the extent to which we are confident that another party has the necessary skills to fulfill our expectations and honor commitments. Affective trust, in comparison, subsumes dimensions of trustworthiness such as honesty, integrity, benevolence and common values. The central theme here is a focus on the relational aspects of trust and the extent to which we are confident that the other party values the underlying relationship (e.g., Das & Teng, 2001b; Kim, Ferrin, Dirks & Cooper, 2004; Lewicki

& Weithoff, 2000; McAllister, 1995; Mayer, Davis & Schoorman, 1995; Olekalns & Smith, 2005b).

We propose that attentional mindsets affect the salience of these two forms of trust. Questions of cognitive trustworthiness increase in salience when negotiators are primed to focus on either their individual outcomes or the economic aspects of the negotiation. Under these conditions, negotiators are oriented to the transactional aspects of the interaction and specifically concerned about whether the other party is (a) able to successfully conclude the deal and (b) likely to act in an exploitative manner by attempting to claim a larger share of available resources. Consequently, consistent with a self-confirmatory information search, negotiators will direct their efforts to answering questions about the other party's ability, reliability and predictability. Questions of affective trustworthiness increase in salience when negotiators emphasize collective outcomes or the social aspects of the negotiation. Under these conditions, negotiators are oriented to the relational aspects of the negotiation and more concerned about whether the other party is (a) able to successfully maintain the relationship and (b) likely to act exploitatively by betraying shared values or falsely conveying benevolence. When negotiators' attention is directed to the relational aspects of the environment, they seek to confirm shared values and search for evidence of benevolence and integrity.

*Confirmatory MindSets.* A second dimension of information processing is the depth of information search. Social cognition researchers have consistently shown that, depending on their underlying goals, individuals differ in the depth of their information processing. Individuals may engage in systematic processing, which involves greater scrutiny of information, or heuristic processing which relies on heuristics to rapidly assimilate new information (Kunda, 2000). Moreover,

individuals try to interpret attribute information in a stereotype consistent manner (De Dreu, Yzerbyt & Leyens, 1995). Drawing on social cognition research, we reason that confirmatory mindsets will affect two related processes: the extent to which negotiators engage in close scrutiny of the other party (systematic processing) and whether they act to confirm expectations that the other party will hurt or harm them.

Individuals who start negotiations with the assumption of harm are oriented to taking preventative action. One component of this action is to increase the depth of information search: Both low perceived trustworthiness and negative affect are linked to greater scrutiny of information (Bohner & Weinerth, 2001; Schwarz et al., 2004). Consequently, individuals who start negotiations with heightened negative affect or with the expectation that the other person has harmful motives will be motivated to more closely scrutinize the other person's behaviors. This more detailed information search is triggered because of the high costs associated with harmful intent. A second component of preventative action is to engage in hypothesis testing, in this case seeking confirmatory information that the initial impressions of intent to harm are accurate. Consistent with this reasoning, low power negotiators – who have greater risk of being exploited – ask more diagnostic questions than high power negotiators, a pattern that De Dreu and Van Kleef (2004) attribute to stronger accuracy motivation.

Conversely, negotiators who start negotiations with the assumption of help are oriented to building opportunities. The optimism that comes with the assumption of good intentions decreases the depth of information search, triggering heuristic information processing: Both high trust and positive affect decrease the extent which others' behaviors are scrutinized (Bohner & Weinerth, 2001; Schwarz et al., 2004). The assumption of good intentions orients negotiators to engage in actions that build

on opportunities. The second aspect of actions that build opportunity is hypothesis testing. As was the case for preventative action, negotiators search for evidence that support their initial impressions, in this case that the other party has good intentions. However, because negotiators with an opportunity mindset engage in heuristic information processing, they are more likely to overlook disconfirming information than negotiators with a prevention mindset.

----- *Table 1 about here* -----

*Cycles of information search.* Combining attentional and confirmatory mindsets suggests four patterns of information search. As shown in Table 1, when negotiators start with a transactional prevention mindset, their information search is directed to obtaining confirmation of their assumption that the other party will renege on the deal. To do this, they test for failures in competence or reliability. Conversely, negotiators with a transactional opportunity mindset look for confirmation that the other party is competent and reliable in deal-making. In comparison, negotiators with relational mindsets focus on the integrity and values of the other party. Whereas a relational prevention focus triggers a search for information that confirms harmful intentions and the absence of shared values, a relational opportunity focus triggers a search for information that confirms good intentions and the presence of shared values.

Consistent with McKnight et al.'s (1998) description of confirmatory cycles in the development of trust, our discussion suggests that – independent of the specific mindsets that negotiators hold, they will engage in confirmatory cycles of information search. What differentiates mindsets is the target and depth of information search. As we discuss in later sections, this has implications for the kinds of events that trigger mindset transitions.

### **MindSets as Strategic Lenses**

As well as shaping the interpretation of incoming information, mindsets act as lenses that direct negotiators' behavior. At any given point in a negotiation, individuals must select from a broad range of tactics. These tactics can be broadly classified based on whether they implement or co-ordinate the negotiation process. Implementation strategies focus on the transactional aspects of the negotiation. Their central goal is to manage the deal-making process. To do this, negotiators employ tactics that manage the tangible resources in a negotiation such as identifying alternatives, making offers and concessions. Coordination strategies focus on the social aspects of the negotiation. Their goal is to manage the relationship-building aspects of the negotiation. This can be accomplished through tactics such as sharing information, conveying esteem or directly managing the process. Each category of tactics can be further differentiated depending on whether specific tactics serve a cooperative or a competitive goal, yielding a 2-dimension typology of negotiators' behaviors (also see Weingart, Brett, Olekalns & Smith, 2008).

Negotiators do not give equal emphasis to these four clusters of behaviors in their tactical choices. Instead, situational factors such as negotiators' social motives and the distribution of power shift negotiators' tactical preferences in ways that increase the use of some tactical clusters while decreasing the use of others (Weingart & Olekalns, 2004). For example, negotiators who have a cooperative social motive use more cooperative tactics and fewer competitive tactics than negotiators who have a competitive social motive (De Dreu, Weingart & Kwon, 2000). We propose that mindsets can trigger similar shifts in negotiators' tactical preferences. This is because each mindset identifies a unique set of problems and risks that negotiators need to overcome in order to successfully reach agreement.

*Attentional MindSets.* In the preceding sections, we argued that attentional mindsets affect the relative emphasis that negotiators place on the economic and relational aspects of the negotiation. This different emphasis was accompanied by concerns about the other party's cognitive or affective trustworthiness. As a result, negotiators are exposed to different kinds of risks as they attempt to reach settlement. Negotiators who hold a transactional-oriented mindset are attuned to the risk that the other party lacks the competence to conclude a deal whereas negotiators who hold a relational-oriented mindset are attuned to the risk that the other party lacks the goodwill to preserve the relationship. These different concerns direct negotiators to focus on implementation- or coordination-oriented tactics, respectively. Mindsets that increase the salience of economic outcomes will bias negotiators towards implementation strategies whereas mindsets that increase the salience of relational outcomes will bias negotiators towards coordination strategies.

For negotiators who focus on the economic aspects of the negotiation, tactical decision center on the deal. To support deal-making, negotiators select from a range of implementation-oriented tactics which are defined by their focus on tangible resources. The underlying goal of these tactics is to shape settlement. They include behaviors such as statements about minimum acceptable outcomes, aggressive demands, small concessions, packaging several issue together in proposals, and suggesting trade-offs. In comparison, for negotiators who focus on the social aspects of the negotiation, tactical decisions center on the underlying relationship. To support relationship-building, negotiators select from a range of coordination-oriented tactics which are defined by their focus on intangible resources such as information, status and esteem. These tactics are directed to shaping the underlying relationship. To

shape the relationship, negotiators may offer or seek information, convey positive or negative reactions to the other party, identify mutuality or explicitly address process.

*Confirmatory MindSets.* We also argued that confirmatory mindsets will affect whether negotiations start from an assumption of good or bad intentions. Individuals who approach a negotiation with a prevention mindset focus assume that the other party will exploit them whereas individuals who approach a negotiation with an opportunity mindset assume that the other party will help them identify and benefit from opportunities. These different assumptions will direct negotiators attention to either competitive or cooperative tactics. Negotiators with a preventive mindset will be biased towards competitive strategies whereas those with an opportunity mindset will be biased towards cooperative strategies. Supporting our reasoning, research links low trust to the use of competitive tactics and high trust to the use of cooperative tactics (Beersma & De Dreu, 1999; Tjosvold, Johnson & Johnson, 1984).

Prevention mindsets focus negotiators on defensive action. In the context of negotiation, this means taking actions to prevent exploitation. Negotiators may be exploited because the other party fails to keep tangible commitments such as reciprocating concession with the result that the value of negotiators outcomes is eroded. They may also be exploited because the other party betrays the relationship, for example by faking goodwill in order to gain valuable information about the other party's interests. To prevent exploitation, negotiators are likely to employ competitive tactics. While such tactics limit opportunities to obtain the best possible outcomes that also protect negotiators against exploitation. Opportunity mindsets, in comparison, focus negotiators on facilitatory action. In negotiation, this means identifying opportunities to build outcomes and strengthen the underlying relationship. Opportunities arise when negotiators honor commitments and work

together from a set of shared values. To identify opportunities, negotiators are likely to employ cooperative tactics.

*MindSets and tactical preferences.* By combining the two categories of mindsets, we can identify four distinct sets of tactical preferences, summarized in Table 2. Negotiators with transactional-oriented mindsets will display a preference for implementation-oriented strategies. In combination with a preventive mindset, they will be oriented to competitive actions tactics such as threats, references to power bases, statements about minimum acceptable outcomes, aggressive demands and small concessions. However, when combined with an opportunity mindset, negotiators will prefer tactics such as packaging several issues together in proposals, gaining insight into the other person's priorities and suggesting trade-offs. Negotiators with collective-oriented mindsets will display a preference for coordination-oriented strategies. When combined with a prevention mindset, negotiators will increase their use of facts, arguments and counter-arguments as well as tactics that convey negative reactions to the other. Conversely, when combined with an opportunity mindset, negotiators will prefer tactics that give or seek information about underlying needs, preferences and priorities, convey positive reactions to the other party or make suggestions that improve the process.

----- *Table 2 about here* -----

### **Breaking the Rhythm: MindSet Transitions**

Up to this point, we have focused on the relationship between negotiators' mindsets, their perceptions of the negotiation and their tactical decisions. We have argued that negotiators' mindsets shape both their opening moves and direct their information search. Because openings spill over to shape subsequent behavior, mindsets have the potential to initiate self-confirming cycles of expectations and

behaviors. However, we cannot ignore the dynamic nature of negotiation (Olekalns & Weingart, 2008). As negotiations unfold, individuals receive new information from and about the other party – information that can potentially change their initial mindsets. We argue that negotiators revise and update their mindsets in light of new information. This means that, as negotiations progress, negotiators refocus or redirect the strategic lens through which they view the other party's behavior and communication. The final issue that we consider is how such transitions are triggered.

A negotiator's opening mindset defines what he or she perceives as normative behavior for the negotiation, thereby establishing the behavioral threshold against which the other party's behavior is assessed. Mindset transitions occur when a counter-normative strategy reaches a critical threshold, becoming salient to a negotiator. Behaviors are most likely to stand out when they are in some way discrepant with either expectations or anticipated outcomes (Jett & George, 2003; Weick, 1995). Because these events stand out from the general flow of behavior, they attract attention and trigger a search for explanations. Consequently, they have the potential to interrupt and change either ongoing group processes or underlying relationships (Baxter & Erbert, 1999; Hilton & Darley, 1991; Jett & George, 2003). For example, an individual who starts a negotiation with a relational-opportunity mindset assumes that both parties are working to find opportunities to strengthen their relationship. This assumption not only shifts the negotiator's own strategy preferences to cooperative coordinative, it also establishes this strategy set as normative. Consequently, behaviors that fall outside of this strategy set invite negotiators to reassess the basis for the negotiation.

We expect that such events, because the trigger to more mindful examination of the other party's intentions, to result in mindset transitions. In line with our focus on negotiators' tactical choice, we propose that communicative acts that stand out from the stream of information invite scrutiny and have the potential to trigger a mindset transition. Analyses of negotiators' communication have generated constructs such as temporary impasses, "out-of-keeping" acts, turning points and structural ripeness (Coleman, 2000; Druckman, 2004; Harinck & De Dreu, 2004; McGinn, Lingo & Ciano, 2004; Zartman, 1992). At different levels of analysis, each construct implies that specific and identifiable events can trigger a shift in negotiators' mindsets. We discuss how small and large-scale communicative acts can bring about mindset transitions.

*Transition mechanisms.* One way in which the other party's actions become salient is through the introduction of strategies that are not normative, that is, congruent with the dominant mindset. Such actions become salient when they end a period of tactical reciprocity. Failures in reciprocity are diagnostic, because they imply that the negotiators do not have a common mindset. When one negotiator uses strategies from the cooperative coordination cluster and the other reciprocates, a common relational opportunity mindset is confirmed. However, a failure to reciprocate with a strategy from this tactical cluster calls into question whether both parties have the same mindset. Such breaks in reciprocity, because they introduce counter-normative strategies, have the potential to redirect the negotiation and change outcomes (Olekalns & Smith, 2000; Olekalns & Weingart, 2008). Low probability behaviors stand out from the stream of strategic activity, triggering closer scrutiny of the other party.

On a larger scale, transitions may be triggered by the introduction of new information, changes to the format of a negotiation or external events such as changes in government (Druckman, 2001, 2004). Negotiators may also explicitly redirect the negotiation process. In both dyadic and group negotiations, individuals break cycles of escalatory behavior by directly intervening to redirect the negotiation (Brett, Shapiro & Lytle, 1998; Olekalns, Brett & Weingart, 2003). Any of these events can trigger a turning point, that is, a shift in the negotiation process. Like the small-scale actions we described above, these larger events stand out from the flow of a negotiation, punctuating and changing the underlying process and relationship. Consistent with this view, trust researchers propose that single actions can call into question another person's intentions and violate trust. For example, events that highlight common interests increase trust whereas events that call into question the other party's goodwill lower trust (Olekalns & Smith, 2005; Druckman, Olekalns & Smith, 2009). We propose that, like breaks in reciprocity, discrete events that stand out from the flow of the negotiation by violating expectations about the negotiation will progress draw attention to the other party's intentions and trigger mindset transitions.

*Mindset transitions.* One consequence of counter-normative actions is to change the way in which individuals process information (Druckman, 2004). From our focus on perceived trustworthiness, this change implies that unexpected behaviors can shift negotiators between the two *attentional mindsets*, transactional and relational. In the context of an emphasis on the economic aspects of negotiation (transactional mindset), a statement that increases insight into values and preferences of the other party or triggers recognition of mutuality can bring the social aspects of a negotiation into the foreground. Conversely, in the context of a negotiation focused

on the social aspects of the negotiation (relational mindset), a statement that highlights failures of mutuality or identifies opposing needs can bring the economic aspects of a negotiation into the foreground. The consequence of this shift is two-fold. First, changes in the relative salience of cognitive and affective trustworthiness that are triggered by this mindset shift will be paralleled by a change in the target of negotiators' information search. Second, shifts between these mindsets will be evident in switches between action and information strategies.

A shift in attentional mindsets might occur when a negotiator with a relational mindset offers information about underlying preference and the other party responds with a demand for concessions (an implementation strategy, signaling a transactional mindset). In failing to reciprocate, the second negotiator creates the preconditions for a shift from a relational to a transactional mindset. Whether this occurs depends on whether the first negotiator reciprocates this counter-normative strategy or continues to use the co-ordination strategies associated with a relational mindset (Olekalns & Weingart, 2008). Similarly, on a larger-scale, the actions of one negotiator can trigger the recognition that both parties have shared values. One example of this kind of shift is given by Putnam, Turner and Wilson in their analysis of teachers' negotiations. These researchers observed a marked change in a highly contentious negotiation at the point where all parties recognized that they shared the goal of doing what was best for the students.

Unexpected actions can also change negotiators' impressions of the other party by shifting assumptions of the other party's goodwill. A departure from the expected strategy can surprise the other party, triggering both a shift in initial assumptions and affect (Druckman, 2004; Hilty & Carnevale, 1992; Olekalns et al., 2005), triggering a transition between the two *confirmatory mindsets*, prevention and

opportunity. Changes in strategy violate negotiators expectations. Positive violations, which occur when negotiators exceed expectations by switching from competition to cooperation, increase trust because they elicit both positive attributions and create a positive mood. Conversely, negative violations, which occur when negotiators fall short of expectations by switching from cooperation to competition, decrease trust because they elicit both negative attributions and negative emotions (Barry & Oliver, 1996; Dunn & Schweitzer, 2005; Olekalns et al., 2005).

Negotiators will be alert to switches between cooperative and competitive strategies. Expectancy violations can trigger shifts between mindsets that attribute harmful intentions and mindsets that attribute helpful intentions with accompanying revisions of the other party's trustworthiness. In negotiations characterized by the assumption of harmful intentions (prevention mindset), cooperative actions will be seen as more diagnostic of the other party's intentions whereas in negotiations characterized by the assumption of helpful intentions (opportunity mindset), competitive actions will be seen as more diagnostic. Shifts between prevention and opportunity mindsets will affect the depth of negotiators information search. They will be accompanied by switches between cooperative and competitive strategies.

*Behavioral latitude and transitions.* Shifts across the four mindsets are not symmetrical. The magnitude of the expectancy violation required for a mindset transition will vary depending on the mindset that characterizes the opening moments of the negotiation. Underpinning the differential impact of expectancy violations is the behavioral latitude granted within a given mindset. The trust literature suggests that affective trust is both more difficult to establish and takes longer to violate than cognitive trust. One reason for this is that individuals with high affective trust give greater behavioral latitude to the trustee. They need to amass more evidence of a

violation than individuals who hold high cognitive trust. This implies that negotiators whose attentional mindset is relationship focused will take longer to respond to evidence that the other party is working from a transactional frame than vice-versa. Greater behavioral latitude is also likely to be granted by individuals with an opportunity mindset. This is because, as we argued earlier, negative affect triggers systematic information processing and increases scrutiny of incoming information whereas positive affect triggers heuristic information processing and decreases scrutiny of incoming information. These findings imply that negotiators with a prevention mindset will be more alert to breaks in reciprocity than negotiators with an opportunity mindset. Consistent with this argument, Parks and Hulbert (1995) show that high trusters display a greater lag in their response to non-cooperative behaviors. Jointly, these arguments suggest that a relational-opportunity mindset is the most robust to expectancy violations whereas a transactional-prevention mindset is the most susceptible to change.

## **Conclusion**

In this chapter we described a *mindset* construct that integrated cognitive and communication approaches to conflict frames. Drawing on the conflict frame literature, we identified two classes of mindsets, attentional and confirmatory. We differentiated these mindsets based on where they direct negotiators' attention and how they shape patterns of information search. Attentional mindsets increase the salience of either the tangible or intangible aspects of the negotiation. As a result, negotiators search for information about the cognitive or affective trustworthiness of the other party, respectively. Confirmatory mindsets, which describe negotiators' expectations of the other party, then direct negotiators to search for evidence of either negative or positive intentions. We proposed that the four mindsets we identified

have implications for negotiators' tactical decisions. Whereas attentional mindsets influence the choice between implementation and coordination tactics, confirmatory mindsets influence the choice between competitive and cooperative tactics. Finally, we discussed how counter-normative behaviors, that is, tactics that violate the expectations associated with the dominant mindset, can trigger mindset transitions. We ended by arguing that transitions between mindsets are not symmetrical because they afford others varying degrees of behavioral latitude.

## References

Ambady, N., & Rosenthal, R. (1992). Thin slices of expressive behavior as prediction of interpersonal consequences: A meta-analysis, *Psychological Bulletin*, **111**, 256-274.

Baron, R.A. (1990). Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology*, **20**, 368 – 384.

Barry B., & Oliver, R.L. (1996). Affect in dyadic negotiation: A model and propositions. *Organizational Behavior and Human Decision Processes*, **67**, 127 – 143.

Baxter, L.A., & Erbert, L.A. (1999). Perceptions of dialectical contradiction in turning points of development in heterosexual romantic relationships, *Journal of Social and Personal Relationship*, **16**, 547-569.

Beersma, B., & De Dreu, C. (1999). Negotiation processes and outcomes in prosocially and egoistically motivated groups, *International Journal of Conflict Management*, **10**, 385-402.

Bohner, G., & Weinerth, T. (2001). Negative affect can increase message scrutiny; the affect interpretation hypothesis, *Personality & Social Psychology Bulletin*, **27**, 1417-1428.

Brett, J.M., Shapiro, D.L., & Lytle, A.L. (1998). Refocusing rights- and power-oriented negotiators toward integrative negotiations: Process and outcome effects, *Academy of Management Journal*, **41**, 410-424.

Brummans, B., Putnam, L.L.Gray, B., Hanke, R., Lewicki, R.J., Wiethoff, C. (2008). Making sense of intractable multiparty *conflict*: A study of framing in four environmental disputes, *Communication Monographs*, **75**, 25-51.

Carnevale, P.J., & Isen, A.M. (1986). The influence of positive affect and visual access on the discovery of integrative solutions in bilateral negotiation.

*Organizational Behavior and Human Decision Processes*, **37**, 1 – 13.

Clore, G.L., Gasper, K., & Garvin, E. (2001). Affect as information. In J.P. Forgas (Ed). *Handbook of affect and social cognition*. Mahwah, NJ, US: Lawrence Erlbaum Associates Publishers, 121-144.

Coleman, P.T. (2000). Fostering ripeness in seemingly intractable conflict: An experimental study, *International Journal of Conflict Management*, **11**, 300-317.

Cropanzano, R., & Mitchell, M.S. (2005). Social exchange theory: An interdisciplinary review, *Journal of Management*, **31**, 874-900.

Das, T.K., & Teng, B-S. (2004). The risk-based view of trust: A conceptual framework. *Journal of Business and Psychology*, **19**, 449-465.

De Dreu, C., & Van Kleef, G. (2003). The influence of power, on the information search, impression formation, and demands in negotiation, *Journal of Experimental Social Psychology*, **40**, 303-319.

De Dreu, C. K. W., Weingart, L. R. & Kwon, S. (2000). Influence of social motives on integrative negotiations: A meta-analytic review and test of two theories, *Journal of Personality and Social Psychology*, **78**, 889-905.

De Dreu, C.K.W., Yzerbyt, Vi.Y., & Leyens, J. (1995). Dilution of stereotype-based cooperation in mixed-motive interdependence, *Journal of Experimental Social Psychology*, **31**, 575-593.

Donohue, this volume

Druckman, D. (2001). Turning points in international negotiations: A comparative analysis, *Journal of Conflict Resolution*, **45**, 519-544.

Druckman, D. (2004). Departures in negotiation: Extensions and new directions, *Negotiation Journal*, **20**, 185-204.

Dunn, J.R., & Schweitzer, M. E. (2005). Feeling and Believing: The Influence of Emotion on Trust, *Journal of Personality and Social Psychology*, **88**, 736-748.

Eisenberger, R., Lynch, P., Aselage, J., & Rohdieck, S. (2004). Who takes the most revenge? Individuals differences in negative reciprocity norm endorsement, *Personality and Social Psychology Bulletin*, **30**, 787-799.

Erber, R., & Fiske, S. (1989). Outcome dependency and attention to inconsistent information, *Journal of Personality and Social Psychology*, **47**, 709-726.

Flynn, F. (2005). Identity orientations & forms of social exchange in organizations, *Academy of Management Review*, **30**, 737-750.

Foa, E.B., & Foa, U.G. (1980). Resource theory: Interpersonal behavior as exchange. In K. Gergen, M. Greenberg, & R. Willis (Eds), *Social exchange: Advances in theory and research*. New York: Plenum.

Forgas, J.P. (1998). On feeling good and getting your way: Mood effects on negotiator cognition and bargaining strategies. *Journal of Personality and Social Psychology*, **74**, 565 – 577.

Galinsky, A.D., Leonardelli, G.J., Okhuysen, G.A., & Mussweiler, T. (2005). Regulatory focus at the bargaining table: Promoting distributive and integrative success, *Personality and Social Psychology Bulletin*, **31**, 1087-1098.

Gladwell, M. (2005). *Blink: The Power of Thinking Without Thinking*, New York: Little, Brown and Company.

Gelfand, M.J., Smith Major, V., Raver, J.L., Nishii, L.H., & O'Brien, K. (2006). Negotiating relationally: The dynamics of relational self in negotiations, *Academy of Management Review*, **31**, 427-451.

Gray, B. (1997). Framing and reframing of intractable environmental disputes, *Research on Negotiation in Organizations*, **6**, 163-188.

Harink, F., & De Dreu, C.K.W. (2004). Negotiating interests or values and reaching integrative agreements: The importance of time pressure and temporary impasses, *European Journal of Social Psychology*, **34**, 595-612.

Hilton, J.L., & Darley, J.M. (1991). The effects of interaction goals on person perception, *Advances in Experimental Social Psychology*, **24**, 235-267.

Hilty, J., & Carnevale, P. J. (1992). Black-hat/white-hat strategy in bilateral negotiation. *Organizational Behavior and Human Decision Processes*, **55**, 444-469.

Jett, Q.R., & George, J.M. (2003). Work interrupted: A closer look at the role of interruptions in organizational life, *Academy of Management Review*, **28**, 494-507.

Kim, P., Ferrin, D., Cooper, C., & Dirks, K. (2004). Removing the shadow of suspicion: The effects of apology versus denial for repairing competence- versus integrity-based trust violations. *Journal of Applied Psychology*, **89**, 104-118.

Kunda, Z. (2000). *Social cognition: Making sense of people*. Cambridge, MA: MIT Press.

Lawler, E. (2001). An affect theory of social exchange. *American Journal of Sociology*, **107**, 321-352.

Lawler, E., & Yoon, J. (1998). Network structure and emotion in exchange relationships, *American Sociological Review*, **63**, 871-894.

Lewicki (this book)

Lewicki, R.J., & Wiethoff, C. (2000). Trust, trust development, and trust repair. In M. Deutsch & P.T. Coleman (Eds). *The handbook of conflict resolution: Theory and practice*. San Francisco: Jossey-Bass/Pfeiffer, pp 86-107.

McAllister, D.J. (1995). Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations, *Academy of Management Journal*, **38**, 24-59.

McGinn, K., Lingo, E.E., & Ciano, K. (2004). Transitions through out-of-keeping acts, *Negotiation Journal*, **20**, 171-184.

McKnight, D.H., Cummings, L.L., & Chervany, N.L. (1998). Initial trust formation in new organizational relationships, *Academy of Management Review*, **23**, 473-490.

Mayer, R.C., Davis, J.H., & Schoorman, F. (1995). An integrative model of organizational trust, *Academy of Management Review*, **20**: 709-734.

Meyerson, D., Weick, K.E., & Kramer, R.M. (1996). Swift trust and temporary groups. In R.M. Kramer & T.R Tyler (Eds). *Trust in organizations: Frontiers of theory and research*. Thousand Oaks, CA, US: Sage Publications, Inc, pp. 166-195

Molm, L.D., Takhashi, N., & Peterson, G. (2000). Risk and trust in social exchange: An experimental test of a classical proposition, *American Journal of Sociology*, **105**, 1396-1427.

O'Connor, K. M., & Adams, A. A. (1999). What novices think about negotiation: A content analysis of scripts, *Negotiation Journal*, **15**, 135-147.

Olekalns, M., & Weingart, L. (2008). Emergent Negotiations: Stability and Shifts in Negotiation Dynamics, *Negotiation and Conflict Management Research*, **1**: 135–160.

- Olekalns, M., & Smith, P (2005a). Cognitive representations of negotiation. *Australian Journal of Management*, **30**, 57-76.
- Olekalns, M., & Smith, P. (2005b). Moments in time: Metacognition, trust and outcomes in negotiation. *Personality & Social Psychology Bulletin*, **31**, 1696 – 1707.
- Olekalns, M., & Smith, P.L. (2000). Negotiating optimal outcomes: The role of strategic sequences in competitive negotiations, *Human Communication Research*, **24**, 528-556.
- Olekalns, M., Brett, J., & Weingart, L. (2003). Phases, transitions and interruptions: The processes that shape agreement in multi-party negotiations, *International Journal of Conflict Management*, **14**, 191-211.
- Olekalns, M., Roberts, C., Probst, T., Smith, P., & Carnevale, P. (2005). The impact of message frame on negotiators' social judgments, moods and behavior. *International Journal of Conflict Management*, **16**, 379-402.
- Parks, C.D., & Hulbert, L.G. (1995). High and low trusters' responses to fear in a payoff matrix, *Journal of Conflict Resolution*, **39**: 718-730.
- Pinkley, R.L. (1990). Dimensions of conflict frame: Disputant interpretations of conflict, *Journal of Applied Psychology*, **75**, 117-126
- Pinkley, R.L. (1992). Dimensions of conflict frame: Relation to disputant perceptions and expectations, *International Journal of Conflict Management*, **3**, 95-113.
- Putnam, L.L., & Holmer, M. (1992). Framing and reframing in negotiations, In L. Putnam, & M. Roloff (Eds.), *Communication and Negotiation*, Newbury Park: Sage.
- Schwarz, N. (1990). Feelings as information: Information and motivational functions of affect states. In T.E. Higgins & R.M. Sorrentino (Eds.), *Handbook of*

*motivation and cognition: Foundations of social behavior*, New York: Guilford, pp 527-561.

Schweitzer, M.E., & De Church, L.A. (2001). Linking frames in negotiations: Gains, losses and conflict frame adoption, *International Journal of Conflict Management*, **12**, 100-113.

Shiota, M.N., Campos, B., Keltner, D., Hertenstein, M.J. (2004). Positive emotion and the regulation of interpersonal relationships. In Philippot, p., & Feldman, R. S. (Eds). *The regulation of emotion*, Mahwah, NJ: Lawrence Erlbaum, pp. 127-155.

Thompson, L., & Loewenstein, J. (2003). Mental models of negotiations; Descriptive, prescriptive and paradigmatic implications. In M.A. Hogg and J. Cooper (Eds.) *Sage Handbook of Social Psychology*. London: Sage, 494-511.

Tjosvold, D., Johnson, D.W., & Johnson, R. (1984). Influence strategy, perspective-taking, and relationships between high- and low-power individuals in cooperative and competitive contexts, *Journal of Psychology*, **116**, 187-202.

Ury, W., Brett, J., & Goldberg, S. (1993). *Getting Disputes Resolved*, Boston, Mass: PON Books.

Van Boven, L. & Thompson, L. (2003). A look into the mind of the negotiator: Mental Models of Negotiation. *Group Processes and Intergroup Relations*, **6**.

Van Kleef, G.A., & De Dreu, C.K.W. (2002). Social value orientation and impression formation: A test of two competing hypotheses about information search in negotiation, *International Journal of Conflict Management*, **3**, 59-77.

Weick, K.E. (1995). *Sensemaking in Organizations*. Sage: Thousand Oaks, CA.

Weingart, L., Brett, J., Olekalns, M., & Smith, P. (2007). Conflicting social motives in negotiating groups. *Journal of Personality and Social Psychology*, **93**, 994-1010.

Weingart, L., & Olekalns, M. (2004). Communication processes in negotiation. In M. Gelfand & J. Brett (Eds). *Handbook of Culture and Negotiation*. Stanford University Press.

Table 1. Patterns of information search

		<b>Confirmatory MindSets</b>	
		<i>prevention</i>	<i>opportunity</i>
<b>Attentional MinSets</b>	<i>transactional</i>	<p><i>Target</i> competence</p> <p><i>Confirmatory process</i> absence of competence</p>	<p><i>Target</i> competence</p> <p><i>Confirmatory process</i> presence of competence</p>
	<i>relational</i>	<p><i>Target</i> shared values</p> <p><i>Confirmatory process</i> absence of shared values</p>	<p><i>Target</i> shared values</p> <p><i>Confirmatory process</i> presence of shared values</p>

Table 2. Patterns of tactical choice

		<b>Confirmatory MindSets</b>	
		<i>prevention</i>	<i>opportunity</i>
<b>Attentional MinSets</b>	<i>transactional</i>	<p><i>Tactics</i> implementation, competitive</p> <p><i>Exchange resources</i> tangible</p> <p><i>Tactical Goal</i> prevent failure of deal</p>	<p><i>Tactics</i> implementation, cooperative</p> <p><i>Exchange resources</i> tangible</p> <p><i>Tactical Goal</i> identify opportunities for deal</p>
	<i>relational</i>	<p><i>Tactics</i> coordination, competitive</p> <p><i>Exchange resources</i> intangible</p> <p><i>Tactical Goal</i> prevent failure of relationship</p>	<p><i>Tactics</i> coordination, cooperative</p> <p><i>Exchange resources</i> intangible</p> <p><i>Tactical Goal</i> identify opportunities for relationship-building</p>