Abstract:

Negotiation scholars know relatively little about how negotiators can overcome adverse circumstances and end negotiations with an enhanced sense of satisfaction. Using a series of two negotiations simulations, we tested whether cognitive reappraisal influences negotiators' responses to adverse experiences. After completing a negotiation in which they either did – or did not – encounter difficulties, participants identified a challenging moment and wrote about either the benefits or harms they associated with that moment. They then completed a second negotiation and reported their post-negotiation satisfaction using the Subjective Value Inventory. Compared to negotiators who did not encounter adversity, those negotiators who did encounter challenges and engaged in benefit finding reported higher levels of process and relationship satisfaction than those who engaged in harm finding. We also found that negotiators reported greater process and relationship satisfaction under adverse circumstances (hard negotiation or harm-finding appraisal) when their partners used inclusive language (we, ours, us) in the second negotiation.

Keywords: negotiation | resilience | adversity | social outcomes

Article:

Introduction

Whether negotiations take place in our personal or organizational lives, we commonly hope that they will unfold smoothly and that we will reach agreement with our counterparts. Although this hope is fulfilled some of the time, it is also not unlikely that a negotiation will be disrupted by unanticipated, negative events. Examples of such adverse events are abundant: economic downturns may threaten trade talks, walkouts by “minor” parties may stall climate change talks, rival parties may block crucial government legislation, and take-it-or-leave-it offers may cast
doubt on whether workplace negotiations can be settled (Druckman and Olekalns 2013). Despite the threat that adverse events pose to both the deal and the ongoing relationship between negotiators, Bert Spector (2006: 273) noted that there is a “paucity of reliable advice for negotiators faced with stalemate on what they can do to avert failure and get back on the negotiation track.” Given the importance of returning negotiations to a constructive process, this lack of attention to the question of how to address negotiation adversity is a significant oversight.

Adversity can be created by events in the external environment that affect the negotiation, for example, changes in legislation or public opinion. Changes in the internal environment may also trigger adversity, for example, the introduction of new information or issues, personal attacks, the expression of negative emotions, or intransigence on the part of negotiators (Druckman 2001; Putnam and Fuller 2014). Irrespective of the source, an adverse event casts doubt on whether an agreement can be reached and disrupts negotiators' relationships.

On the other hand, adverse events are also associated with “ripe” moments (Zartman 1992) when the situation has become so bad that negotiators perceive that it is necessary to change their strategy. Importantly, the consequences of adverse events often depend less on the source of adversity and more on how individuals respond to the adversity (e.g., Weingart et al. 2015): faced with a threat to their agreement or their relationship, how negotiators respond will determine whether they are able to turn “bad” into “good” and re-establish a constructive negotiation process.

In the immediate aftermath of an adverse event, negotiators may act in ways that amplify its negative impact (e.g., Ballinger and Rockman 2010). Because adverse events can call into question a counterpart's intentions (Olekalns and Smith 2005; Ballinger and Rockmann 2010), negotiators may respond with increased competition and the counterparts can respond in kind (Olekalns and Smith 2000), triggering a downward spiral that further damages their relationship and impedes settlement. This downward spiral is not, however, inevitable: individuals sometimes perceive that adverse events create opportunities for growth (see, for example, Masten [2001] and Richardson [2002] on how some individuals respond to trauma). Consequently, negotiators may choose to transcend an adverse event by setting the negotiation on a new – and more constructive – path (McGinn, Lingo, and Ciano 2004).

The resilience literature provides insight into how negotiators may re-establish a constructive negotiation following an adverse event. Resilience research shows that individuals who focus on the positive consequences of adverse events are more likely to overcome and grow from adversity (Affleck and Tennen 1996; McAdams et al. 2001; Greeff and Du Toit 2009). Our goal, in this research, is to investigate whether the same benefits can extend to negotiators who encounter adversity.

Although negotiation researchers typically focus on economic outcomes, they have also increasingly explored the role of such social outcomes as negotiators' reputation. Jared Curhan and his colleagues (Curhan, Elfenbein, and Eisenkraft 2010), for example, found that high subjective value (social outcomes) in one negotiation predicted better economic performance in a subsequent negotiation: ending a negotiation with a good social outcome may be as important as ending a negotiation with a good economic outcome, especially when the parties have an
ongoing relationship. Consequently, our focus in this research is on how two cognitive reappraisal strategies, benefit finding and harm finding, influence negotiators' subjective assessment of the negotiation following an adverse event.

The (Re)Appraisal of Adverse Events

Researchers have established that how negotiators think about their negotiations affects their behavior and outcomes. For example, thinking about outcomes in terms of losses (loss-frame) can trigger risk-seeking behavior, whereas thinking about outcomes in terms of gains (gain-frame) can trigger risk-averse behavior (Kahneman and Tversky 1979). In negotiation, substantial evidence indicates that gain-framed negotiators are more risk averse than loss-framed negotiators: they obtain lower individual outcomes, are more concessionary, are more likely to reach agreement, and are more likely to be perceived as less competitive (Bazerman, Magliozzi, and Neale 1985; Neale and Bazerman 1985; Neale, Huber, and Northcraft 1987; Bottom and Studt 1993; de Dreu et al. 2005).

Researchers have also shown that both a promotion-focus frame, which emphasizes the pursuit of opportunities, and a prevention-focus frame, which emphasizes threat and harm minimization, influence negotiators' behaviors and outcomes: promotion-focused negotiators are more ambitious than prevention-focused negotiators, either making or planning to make higher initial offers and obtaining higher outcomes (Galinsky et al. 2005; Appelt et al. 2009; Appelt and Higgins 2010); they are also less likely to avoid negotiations or exit them early (Shalvi et al. 2013).

In this research, we build on the research that has explored the role of cognition and appraisal in negotiation by exploring how the interpretation of a specific event that threatens ongoing negotiations influences outcomes. We draw on resilience research, which shows that how people interpret or appraise an adverse event can influence the emotions that they feel in response to that event (Fredrickson and Joiner 2002), how they behaviorally respond or adapt to the experience, and the lessons that they draw from the experience (Folkman and Moskowitz 2000). Individuals who are able to bounce back from adversity – who show resilience – tend to look for the positives or “silver linings” as they work through adversity. This positive focus can help them find value in the experience and achieve positive outcomes (Glantz and Johnson 1999; Richardson 2002). In the workplace, resilient individuals report higher job satisfaction and organizational commitment (Youssef and Luthans 2007) and lower levels of depression (MacLarnon and Rothstein 2013), and are more likely to recover rapidly from workplace conflicts (Martinez-Corts et al. 2015). On the other hand, negative appraisals of life adversity are associated with dysfunctional responses such as post-traumatic stress disorder (Dunmore, Clark, and Ehlers 2001; Ehring, Ehlers, and Glucksman 2006). Overall, these findings suggest that cognitive appraisal can play an important role in the promotion of resilience. To test this hypothesis in a negotiation context, we contrasted two appraisal strategies – benefit finding (positive appraisal) and harm finding (negative appraisal) – and assessed their impact on negotiators' outcomes following an adverse event.

Benefit Finding
Benefit finding is a key strategy for focusing on the opportunities that adverse events can present. Associated with resilience and well-being, benefit finding is a conscious effort to identify the positive aspects of adversity (Davis, Nolen-Hoeksema, and Larson 1998; Tennen and Affleck 2002; Helgeson, Reynolds, and Tomich 2006). This strategy results in greater life satisfaction, self-esteem, and the belief that challenges are meaningful and manageable. Individuals who engage in benefit finding are more likely to forgive transgressions and to report higher levels of well-being (Helgeson, Reynolds, and Tomich 2006; McCullough, Root, and Cohen 2006; Martinez-Corts et al. 2015). Moreover, focusing on the benefits of an adverse experience is associated with experiencing less distress (Davis, Nolen-Hoeksema, and Larson 1998), and more positive emotions (Affleck and Tennen 1996; Stein et al. 1997).

We propose that the positive consequences of benefit finding also extend to relationships, including relationships among negotiators. In interpersonal relationships, benefit finding both fosters and sustains positive emotions, strengthening relationships and supporting relationship repair following adversity (Buehman, Gottman, and Katz 1992; Bonanno et al. 2004; Tugade and Fredrickson 2004; Caccioppo, Reis, and Zautra 2011; Gottman, Driver, and Tabares 2015; Thompson and Ravlin 2016). Because benefit finding strengthens relationships, we expect that negotiators who benefit-find following an adverse event will report higher subjective value following adversity – in contrast to those who harm-find (Kolb and Williams 2001; Neff and Broady 2011).

Harm Finding

Harm finding can orient individuals to the negative aspects of a situation (Caselli et al. 2014) and can create dysfunctional responses to adversity (McCullough, Root, and Cohen 2006; Ciarocco, Vohs, and Baumeister 2010). Although harm finding has received less attention than benefit finding, some evidence indicates that individuals who focus on the negative aspects of an adverse experience perceive challenges as more overwhelming, uncontrollable, and unsolvable (Lyubomirsky et al. 1999). After adverse experiences, individuals who engage in harm finding become less confident in their ability to overcome obstacles (Stoeber, Hutchfield, and Wood 2008), and are more likely to experience an increase in negative emotions (Caselli et al. 2014) and in mistrust (Carson and Cupach 2000).

These established consequences of harm finding are more likely to interfere with negotiators' motivation and ability to repair relationships damaged by adversity: harm finding is more likely to keep negotiators focused on the negative consequences of the adverse experiences and prevent them from overcoming it. We thus predict that negotiators who harm-find will report lower subjective value following adversity.

Adversity, (Re)Appraisal, and Subjective Value in Negotiation

To investigate the consequences of benefit finding and harm finding, we compared negotiations in which adversity was present to those in which it was absent. We created these conditions (adversity present, adversity absent) by varying the ease with which negotiators could reach agreement. In the “difficult” negotiation (adversity present), negotiators had a negative bargaining zone, one in which there was no overlap in the minimum requirements of the two
negotiators. In the “easy” negotiation (adversity absent), negotiators had a positive (and wide) bargaining zone: agreement was facilitated because there were many acceptable settlement options.

We predicted that having a negative bargaining zone, which blocks settlement, would lead to a stronger experience of adversity than having a wide bargaining zone, which makes settlement easier. Negotiators who encounter a negative bargaining zone are more likely to resist making concessions or to make extremely small concessions, and to engage in higher levels of argumentation than those who encounter a positive bargaining zone (Lewicki, Saunders, and Barry 2013). Although these behaviors are intended to ensure that negotiators obtain their minimum acceptable outcomes and don't walk away from the table having accepted a deal that leaves them worse off than their alternative would have, they can be interpreted by counterparts as intransigence (Weingart et al. 2015) with negative consequences for the negotiation. Intransigence increases the perceived difficulty of reaching agreement and also leaves negotiators with negative impressions of opponents that could affect future negotiations: negotiators faced with intransigence conclude that their counterpart is disagreeable and plan to adopt a tougher approach in subsequent negotiations (Morris, Larrick, and Su 1999; O'Connor and Arnold 2001; O'Connor, Arnold, and Burris 2005).

Points of impasse can create turning points in a negotiation, offering negotiators the opportunity to change the negotiation process (Druckman and Olekalns 2013). Daniel Druckman and his colleagues, in their analyses of international negotiations, documented a pattern in which increasingly competitive tactics escalated a conflict to the point of impasse; this point can, in turn, trigger a shift to more constructive strategies that support progress toward agreement (e.g., Druckman 1986; Druckman and Harris 1990). Escalating competitiveness, of course, does not always generate process changes that move negotiators toward agreement – instead, escalation can continue and lead to stalemate. Under these circumstances, Druckman (2004) suggested, a “time out” can enable negotiators to rethink strategy and redirect the negotiation process. Recently, Fieke Harinck and Druckman (2017) found, for example, that other-oriented affirmations can lead to improved outcomes in value conflicts. Cumulatively, the research on turning points suggests that how negotiators interpret and respond to an impasse can significantly alter the course of a negotiation.

Building on Druckman's findings, we investigated whether negotiators' appraisal of an impasse affected negotiation outcomes. Specifically, we tested whether, relative to harm finding, benefit finding can help negotiators to overcome the negative spillover effects associated with contentious negotiations (O'Connor and Arnold 2001) and to obtain improved outcomes in a second negotiation. Extending findings from the benefit-finding literature to the negotiation context, we predict that, following an adverse experience, negotiators who engage in benefit finding will be more likely to view the adverse experience as an opportunity for growth, reducing tension or negative affect, and consequently averting a downward spiral in subsequent negotiations. In this experiment, negotiators engaged in either a benefit- or harm-finding adversity appraisal after participating in a difficult (adversity present) or an easy (adversity absent) negotiation. Because benefit finding and harm finding encourage individuals to reappraise adversity, we expect that these strategies will affect negotiators' subjective value only after a difficult negotiation.
Some research on marital conflict, which found that couples are better able to withstand adversity if they can maintain a positive emotional tone (Buehlman, Gottman, and Katz 1992; Madhyastha, Hamaker, and Gottman 2011; Gottman, Driver, and Tabares 2015), illuminates the link between adversity appraisal and subjective value. Extending these findings to negotiations, which are also characterized by interdependent relationships, we predict that benefit finding, which increases positive affect, will help negotiators to preserve their relationships and improve subjective value despite encountering adversity. In contrast, harm finding, which increases negative affect, will lead to worsening social outcomes. We expect benefit finding and harm finding to moderate the relationship between adversity and negotiators' subjective value. Therefore, our first hypothesis is as follows:

**Hypothesis One:** Relative to negotiators who participate in an easy negotiation (adversity absent), those negotiators who participate in a difficult negotiation (adversity present) and engage in benefit finding will obtain higher subjective value than those negotiators who participate in a difficult negotiation and engage in harm finding.

We are also interested in how post-adversity language affects negotiators' subjective value. Recognizing their interdependence can shift negotiators' perspective from “me” to “us” and make them more likely to focus on mutually beneficial outcomes (Flynn 2005; Gelfand et al. 2006). The marital conflict literature also reports that couples who can establish a sense of unity or “we-ness” are better able to withstand adversity: they are more willing to repair relationships, more likely to adopt a positive frame following adversity, and less likely to experience negative affect (Buehlman, Gottman, and Katz 1992; Gottman, Driver, and Tabares 2015).

In negotiation, a sense of unity can be established or conveyed through the language that negotiators use. A communication pattern that reduces social distance known as “positive politeness” (Brown and Levinson 1987), can convey a sense of unity. One example of positive politeness is the use of inclusive language such as “we,” “us,” and “ours,” which can reduce social distance and foster closer relationships (Donnellon 1994). Because it can rebuild social bonds, we expect the use of inclusive language to moderate the relationship between adversity reappraisal and subjective value following a difficult negotiation. Therefore, our second hypothesis is as follows:

**Hypothesis Two:** The use of inclusive language will moderate the relationship between adversity reappraisal (harm finding vs. benefit finding) following a difficult negotiation (adversity present) but not following an easy negotiation (adversity absent).

**Method**

**Participants**

Eighty participants (44 females, 36 males) with a mean age of 22.63 years (standard deviation [SD] = 5.88) completed two consecutive simulated employment contract negotiations. Participants were undergraduate college students who reported an average of 3.41 (SD = 4.87) years of work experience.
Design

We tested our hypotheses in a negotiation difficulty (easy vs. difficult) × adversity appraisal (benefit finding vs. harm finding) between-groups design. Participants were randomly allocated to one of the four experimental conditions, with twenty participants in each condition.

Procedure

Participants negotiated a sequence of two simulated employment contract negotiations. They conducted negotiations face-to-face in dyads, with one dyad negotiating per experimental session. All negotiations were video-recorded.

First negotiation

Participants were randomly assigned to either an employer (café owner) or employee (barista) role. They received both verbal and written instructions about the negotiation, which required them to reach agreement on two issues: hourly pay rate and start date. After receiving verbal instructions, participants were given time to thoroughly read the written task instructions. Participants were told they had a maximum of ten minutes to reach an agreement, and were stopped at this point whether or not they had reached one.

To manipulate negotiation difficulty we varied the bargaining range for one issue, hourly pay rate. The easy negotiation had a wide positive zone of possible agreement (ZOPA): the café owner's reservation price (highest wage she or he was willing to pay) was $20.50 and the barista's reservation price (lowest wage she or he was willing to take) was $14.50, giving them a ZOPA of $6.00. In the difficult negotiation, there was a negative ZOPA: the café owner's reservation price was $16.50 and the barista's was $18.50, leaving a gap of $2.00. In both conditions, negotiators were told that the industry average pay rate was $17.50.

Using a 4-point scale (1 = not at all challenging; 4 = extremely challenging), participants rated the difficult negotiation task (median $M = 1.49; SD = .85) as significantly more challenging than the easy negotiation task ($M = 1.05; SD = .56; t(38) = 2.58, p = .012). Additionally, participants experienced significantly more negative affect after the difficult negotiation ($M = 2.66; SD = 1.15) than after the easy negotiation ($M = 2.09; SD = 1.01; t(38) = 2.36, p = .024.) Consistent with our manipulation, fifteen of the twenty dyads in the difficult condition failed to reach an agreement whereas only one dyad of the twenty in the easy condition failed to reach an agreement.

Second negotiation

After the first negotiation, participants completed an adversity appraisal. They then went on to renegotiate their employment contract, following six months on the job. Participants who failed to reach an agreement in the first negotiation were told to assume that one had eventually been reached.
The second contract required negotiators to reach agreement on four issues: location, work schedule, salary increase, and work hours. Each issue offered negotiators five options and points were assigned to issues to indicate their relative importance. Two issues (location and work schedule) had integrative potential enabling negotiators to make trade-offs across these issues to maximize both parties' outcomes. Salary increase was distributive, meaning that negotiators could improve their outcomes only at the expense of their counterpart's outcomes. Finally, work hours was a compatible issue: both parties wanted to maximize the number of work hours.

Participants received brief verbal instructions outlining the key issues, after which they were given reading time to examine the information in detail. At the start of the negotiation, they were told that they had a maximum of twenty minutes to reach an agreement. All dyads reached agreement in this negotiation.

Adversity appraisal manipulation

After completing the first negotiation, participants were asked to complete an “adversity appraisal.” Half of the dyads completed a benefit-finding appraisal, and the other half completed a harm-finding appraisal. (Both participants in a dyad completed the same adversity appraisal.) The benefit-finding appraisal was adapted from one developed by Michael McCullough, Lindsey Root, and Adam Cohen (2006); the harm-finding appraisal was written to parallel the benefit-finding manipulation. All students were given the same initial instruction:

Looking back over the negotiation, was there a specific moment or event that was particularly challenging? Briefly describe what happened. Say why you found this moment or event challenging. If you did not experience any challenges, briefly describe a moment or an event in this negotiation that stood out to you.

Participants in the benefit-finding group were further instructed as follows:

Focusing on this moment or event, can you think more about its impact? In thinking about this moment or event, we would like you to focus on the benefits. In particular, we would like you to consider the following questions: Are there any aspects of this moment or event that will help you to perform better in future negotiations? What positive capabilities or strengths did you display when you encountered this event? Did you display any skills that you had previously been unaware you possessed, or thought to be beyond your capabilities? As you write, try to think deeply about the possible benefits you have gained from your experience and how that will influence your approach to the next negotiation. Be as honest and candid as possible.

And participants assigned to the harm-finding group were given this instruction:

Focusing on this moment or event, can you think more about its impact? In thinking about this moment or event, we would like you to focus on the difficult aspects associated with this event. In particular, we would like you to consider the following questions: Are there any aspects of this moment or event that will worsen your performance in future negotiations? What weaknesses or skill deficiencies became
apparent as a result of encountering this event? Were you blocked from displaying any skills that you had previously used effectively, or thought were within your capabilities? As you write, try to think deeply about the possible harm you have incurred from your experience and how that will influence your approach to the next negotiation. Be as honest and candid as possible.

Measures

Subjective Value

We used Jared Curhan and colleagues' (Curhan, Elfenbein, and Xu 2006) Subjective Value Inventory (SVI) to assess participants’ feelings about the negotiation and its outcome after the second negotiation. This scale has sixteen items that form four subscales: feelings about the relationship, feelings about the process, feelings about the instrumental outcomes, and feelings about the self. Participants used a 1 to 7 scale to rate their post-negotiation satisfaction.

Inclusive Language

To examine the relationship between certain pronouns, emotional expression, and negotiation outcomes, we employed James Pennebaker's Linguistic Inquiry Word Count (LIWC) program. The LIWC is based on the idea that words act as markers of emotional states, social identity, and cognitive styles (Pennebaker, Booth, and Francis 2007). The program scans text and categorizes 2,300 words into broad psychological, affective, and cognitive categories. Using LIWC, we analyzed transcripts of the forty negotiations in this experiment to obtain the frequency with which negotiators used inclusive language (we, us, our, ours).

Results

Impact of Adversity Appraisal (Hypotheses One)

We used Statistical Program for the Social Sciences (SPSS) mixed models to test our prediction that, when compared to negotiators who participated in the easy negotiation, those negotiators who participated in the difficult negotiation and engaged in benefit finding would report higher subjective value than those who participated in the difficult negotiation and engaged in harm finding. Scores on two of the SVI subscales – “feelings about the instrumental outcome” and “feelings about the self”– were unaffected by the interaction between these variables ($F(1, 76) = .08; p = .78$; $F(1, 76) = .35$, respectively). An interaction between negotiation difficulty and adversity appraisal did, however, affect “feelings about the relationship” and “feelings about the process.”

Feelings about the relationship

Neither negotiation difficulty nor adversity appraisal alone influenced negotiators' satisfaction with their relationship ($F(1,76) = 0.31, p = .58$; $F(1, 76) = 0.31, p = .58$, respectively). Consistent with Hypothesis One, however, negotiation difficulty and adversity appraisal interacted to affect the amount of satisfaction that negotiators felt about their relationship at the time they concluded
the second negotiation ($F(1, 38) = 4.25, p = .046$). An analysis of simple effects revealed that adversity appraisal affected negotiators' satisfaction with their relationship following a difficult negotiation ($F(1, 38) = 4.25, p = .046$), but not following an easy negotiation ($F(1, 76) = 1.29, p = .263$). As shown in Figure One, those negotiators in the difficult condition who completed a benefit-finding adversity appraisal reported significantly higher relationship satisfaction at the end of their second negotiation than did those who completed a harm-finding adversity appraisal.

![Figure 1. Negotiation Difficulty, Adversity Appraisal, and Relationship Satisfaction](image)

Neither negotiation difficulty nor adversity appraisal alone influenced negotiators' satisfaction with the process ($F(1,76) = 0.60, p = .807$; $F(1,76) = 2.60, p = .111$, respectively). Consistent with Hypothesis One, negotiation difficulty and adversity appraisal interacted to affect how satisfied negotiators were with the process at the time they concluded the second negotiation ($F(1, 76) = 4.89; p = .03$). An analysis of simple effects revealed that adversity appraisal affected negotiators' satisfaction with the process following a difficult negotiation ($F(1, 38) = 7.32, p = .010$) but not following an easy negotiation ($F(1, 76) = 0.18, p = .674$).

As can be seen in Figure Two, those negotiators in the difficult condition who completed a benefit-finding appraisal reported significantly higher process satisfaction at the end of their second negotiation than did those in the difficult condition who completed a harm-finding appraisal. Negotiators in the easy condition reported similar relationship satisfaction whether they engaged in a harm-finding or a benefit-finding adversity appraisal.

*Feelings about the process*

*Figure 1. Negotiation Difficulty, Adversity Appraisal, and Relationship Satisfaction*
Using SPSS mixed models, we tested whether a counterpart's use of inclusive language interacted with negotiation difficulty and adversity appraisal to affect the subjective value that negotiators reported at the end of their second negotiation. We found that the counterpart's use of inclusive language interacted separately with negotiation difficulty and adversity appraisal to affect subjective value. To interpret these interactions, we report the regression slopes associated with significant effects in Table One. Positive slopes mean that subjective value increased as the counterpart's use of inclusive language increased; negative slopes mean that subjective value decreased as the use of inclusive language increased. Significant F-values show that the slopes of the regressions lines in the two conditions are significantly different (difficult vs. easy; benefit finding vs. harm finding).

**Table 1. Inclusive Language, Negotiation Adversity Appraisal, and Subjective Value**

<table>
<thead>
<tr>
<th></th>
<th>Negotiation Difficulty</th>
<th>Adversity Appraisal</th>
<th>Significance Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Easy</td>
<td>Hard</td>
<td></td>
</tr>
<tr>
<td>Outcome satisfaction</td>
<td>−0.11</td>
<td>0.06</td>
<td>$F(1,54) = 7.41, p = 0.009$</td>
</tr>
<tr>
<td>Self esteem</td>
<td>−0.001</td>
<td>0.07</td>
<td>$F(1,54) = 5.75, p = 0.021$</td>
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<tr>
<td>Negotiation process</td>
<td>−0.02</td>
<td>0.18</td>
<td>$F(1,54) = 14.42, p &lt; 0.001$</td>
</tr>
<tr>
<td>Relationship</td>
<td>−0.2</td>
<td>0.13</td>
<td>$F(1,54) = 14.19, p &lt; 0.001$</td>
</tr>
<tr>
<td></td>
<td>Benefit finding</td>
<td>Harm finding</td>
<td>Significance (?)</td>
</tr>
<tr>
<td>Negotiation process</td>
<td>−0.07</td>
<td>0.14</td>
<td>$F(1,54) = 5.63, p = 0.021$</td>
</tr>
<tr>
<td>Relationship</td>
<td>0.05</td>
<td>0.23</td>
<td>$F(1,54) = 8.78, p = 0.005$</td>
</tr>
</tbody>
</table>
Negotiation difficulty

The frequency with which the counterparts used inclusive language affected all four aspects of a negotiators' subjective value, although the impacts were different depending on whether the negotiation was easy or difficult. As can be seen in Table One, following a hard negotiation negotiators felt comparatively better about themselves, the relationship, and process the more frequently their partners used inclusive language. The one exception to this pattern was feelings about outcomes: partners' use of inclusive language following an easy negotiation actually correlated to a greater incidence of negative feelings.

Adversity appraisal

Negotiators' feelings about process and relationships also improved the more frequently partners used inclusive language following a harm-finding appraisal but not following a benefit-finding appraisal.

Discussion

Negotiations are often characterized by unexpected events and adverse circumstances, at least some of which will cast doubt on whether agreement is possible. Not only may these adverse conditions stall the negotiation in which they occur but, when the negotiation counterparts have an ongoing relationship, their consequences can spill over to future negotiations.

We proposed that adverse events and circumstances offer instead opportunities for negotiators to reframe their situations and adjust their strategies. To date, however, negotiation experts have offered limited advice on how negotiators should use such opportunities to improve outcomes.

Our goal, in this research, was to test whether cognitive reappraisal helped negotiators to avoid the negative impact of adverse circumstances. Drawing on the resilience literature, we compared the impact of benefit- and harm-finding appraisals on negotiators' social and economic outcomes. Our analysis partially supported our first hypothesis: we found that the negotiators who participated in the more difficult negotiation and engaged in a benefit-finding appraisal reported greater process and relationship satisfaction than those whonegotiated in the same difficult scenario who engaged in a harm-finding appraisal.

Our second hypothesis was also partially supported: we found that the more frequently that their counterparts' used inclusive language, the greater was the subjective value reported by negotiators following a difficult negotiation or a harm-finding appraisal. Surprisingly and perhaps counter-intuitively, we found that a counterparts' use of inclusive language correlated with lower subjective value in easier negotiations and following benefit appraisal.

Inclusive language often strengthens social connections and affirms interdependence (Brown and Levinson 1987; Donnellon 1994). These results suggest that emphasizing the social connection between negotiators offsets the tension associated with an adverse experience but, as Jared Curhan and his colleagues have suggested (Curhan et al. 2008), could result in an overemphasis
on the relationship with subsequent disappointment when a negotiator's needs are not otherwise met.

Implications for Theory and Practice

Despite growing interest in the conditions under which individuals display resilience in their workplaces, empirical evidence on the antecedents of resilience is limited (King, Newman, and Luthans 2016). In this study, we took a step in that direction by testing a simple intervention that could help promote resilience in the context of work negotiations. Our analysis showed that negotiators' satisfaction with the process and their relationship – but not their satisfaction with their economic outcomes or their self-esteem – were affected by adversity appraisals. Following a difficult negotiation, negotiators who engaged in benefit finding reported greater relationship and process satisfaction than did negotiators who engaged in harm finding. We have thus extended resilience theory by confirming that benefit finding, which can be successfully used by individuals to ameliorate the impact of negative life events (e.g., Helgeson, Reynolds, and Tomich 2006), can also help negotiators to move past adverse events. Conversely, harm finding – in which individuals focus on the negative aspects of a situation which can diminish their ability to overcome obstacles (Stoeber, Hutchfield, and Wood 2008; Caselli et al. 2014) – can also amplify the negative impact of negotiation adversity.

Our results suggest the impact of adversity appraisals is limited to negotiators' assessments of the less tangible aspects of the negotiation (process, relationship) but not their assessment of the economic outcomes or their self-esteem. This makes sense because economic outcomes can be assessed against more tangible and objective criteria than relationships (in this experiment, the maximum possible point score) (Curhan, Elfenbein, and Xu 2006). Because there is no equivalent objective standard for assessing the negotiation process or relationship, these more subjective aspects of negotiators' satisfaction may be more susceptible to the impact of benefit- and harm-finding appraisals. Assessments of self-esteem, on the other hand, while less tangible, are likely to be more constant and thus more resistant to the impact of adversity appraisal of a single event, in this case a negotiation.

Overall, our results suggest that adversity appraisal can be an important tool for managing negotiation relationships under difficult circumstances. And, especially in long-term relationships, building a strong relationship can lay the foundation for a problem-solving approach in future negotiations: a positive relationship facilitates the consideration of each other's preferences, as well as trust and reciprocity (Curhan et al. 2006) and can lead to better economic outcomes in subsequent negotiations.

We also gained insight into the mechanisms that can contribute to higher subjective value. The more frequently negotiators' partners used inclusive language following either a difficult first negotiation or a harm-finding appraisal, the more positively negotiators felt about their relationship and the negotiation process. This finding suggests that in challenging negotiation circumstances negotiators can re-establish social bonds and rebuild their relationship through the use of inclusive language.
These two findings taken together suggest that negotiators can enhance negotiation satisfaction in two ways, cognitively and linguistically. They can improve their own satisfaction by reappraising difficult negotiations via a process of benefit finding and they can enhance their counterpart's satisfaction by increasing their use of inclusive language during a difficult negotiation or when they perceive that their counterpart is focused on the negative aspects of the negotiation.

Although inclusive language seems to improve counterparts' self-esteem, it also, however, seems to decrease their satisfaction with the final outcome. Consequently, a caveat for using inclusive language is that negotiators may need to decide whether – in any given negotiation – it is more important for their partners to leave feeling social or economic satisfaction, although making such a determination can admittedly be challenging.

Limitations and Future Directions

Negotiation simulations are one way of exploring the impact of multiple variables in a controlled setting. Using a simulation enabled us to explore the consequences of adversity appraisals following adversity, controlling for difficulty of the negotiation scenario (intensity and type). This approach should yield insight into some of the conditions under which post-negotiation cognitive appraisal can help negotiators overcome adversity. Although some evidence suggests that the dynamics of real-world and simulated negotiations are more similar than different (Donohue, Diez, and Hamilton 1984), we recognize the possibility that simulations cannot capture all of the complexity of real-world negotiations, and so adversity appraisals may not yield the same benefits that we observed in the laboratory, although our finding that negotiators report higher levels of satisfaction when they focus on potential benefits supported the more general finding that focusing on benefits after adverse life events can improve emotional affect (Helgeson, Reynolds, and Tomich 2006). We also recognize that undergraduate college students are likely to be inexperienced in negotiation, and that their inexperience might have both increased the adversity that they felt in the difficult negotiation and influenced the impact of our harm- and benefit-finding manipulations. Although undergraduate students may be better able to implement a cognitive reappraisal strategy, we note that these same strategies are used successfully with other populations. Nonetheless, an important next step for this research would be to test the impact of adversity appraisals in the field, with more experienced negotiators, and with a more diverse population.

Although participants who participated in the more difficult negotiation reported more negative affect at the end of the negotiation than those who experienced less difficulty, the overall level of negative affect was moderate. This may be because the adversity that we created in the difficult scenario, a negative bargaining zone, was situational and could be less easily blamed on the counterpart. Ed Tomlinson and Roger Mayer (2009) argued that trust is violated and requires repair only when the trust violation is attributed to the action of individuals and not to external constraints. Applying this proposition to the current research suggests that negotiators in the difficult simulation could have been “repair-ready,” that is, willing to move past the adversity under the right circumstances, and the benefit-finding task could have provided those circumstances.
Crises in negotiation can be generated externally (for example a change in political climate) or within the negotiation process itself (for example, a threat or personal attack), and evidence suggests that either kind of crisis can harm the negotiation process and outcome (Druckman and Olekalns 2013). In this experiment, participants completed two negotiations. In the first negotiation, we manipulated participants' experience of adversity. We then tested whether cognitive reappraisal buffered negotiators against this adversity in a second negotiation with the same partner. Our results suggest that benefit finding may enhance the negotiation relationship when negotiators can attribute difficult circumstances to the situation rather than to the counterpart. They also suggest two avenues for future research: an examination of whether adversity appraisals enable negotiators to overcome adversity (a) within a single negotiation (our adversity appraisal occurred between two negotiations) and (b) when the adversity has greater impact and generates stronger negative affect than our manipulation.

In this experiment, we explored one form of adversity: the relative difficulty of reaching agreement. Obviously negotiators are likely to encounter a great many other forms of adversity in their careers. Adversity can be triggered by changes in the negotiation environment or process, the introduction of new information, or the actions of a counterpart. Each form can pose distinct challenges as negotiators attempt to recover and repair the negotiating relationship and improve their outcomes. To effectively manage adversity, as well as drawing on benefit finding, negotiators should draw on such different components of negotiation resilience as social sensitivity, empathy toward themselves and others, and a willingness to overcome difficulty (Spector 2006; Cacioppo et al 2011; Caza and Olekalns 2014; Nelson, Shacham, and Ben-ari 2016) and match their repair efforts to the nature of the adversity.

Finally, the direct impact of adversity appraisals on the actual negotiation interactions is also worth additional examination. Theory suggests that benefit finding can build trust and support creative problem solving. Conversely, harm finding can erode trust, discourage information exchange, and inhibit problem solving (Helgeson, Reynolds, and Tomich 2006; Thompson and Ravlin 2016). Exploring how adversity appraisals affect the negotiation process itself could provide insight into whether these appraisals have only cognitive impacts or whether they also have behavioral impacts and shape actual strategies.

**Conclusion**

In this study, we examined the effect of adversity appraisals on promoting negotiation resilience, helping negotiators “bounce back” from an adverse negotiation in a subsequent negotiation. We identified methods for enhancing subjective value after a difficult negotiation both cognitively and linguistically. Positive cognitive reappraisal of adversity can enhance the subjective value of the negotiation process and relationship: individual negotiators who engaged in benefit finding reported higher subjective value than those who in engaged in harm finding following a difficult negotiation. Language use can also enhance subjective value: counterpart's use of inclusive language after an adverse experience (either a difficult negotiation or a harm-finding appraisal) increased negotiator's subjective value. These findings demonstrate that negotiation resilience can be enhanced or diminished by how the negotiators think about adversity and by the language that their counterparts use. This finding is particularly important for individuals who negotiate repeatedly with the same counterpart.
Our findings contribute to the small, but growing, body of research investigating resilience in the negotiation context. Although this subject was first raised a decade ago (Spector 2006), this is the first study to explore a specific strategy – cognitive reappraisal – as a mechanism for promoting resilience in negotiation. In a previous study, Brianna Caza and Mara Olekalns (2014) suggested that, given the interdependent nature of negotiations, negotiation resilience entails the capacity to respond relationally to negotiation adversity. These findings extend this work by demonstrating that the way in which negotiators frame negotiation adversity is a component of this capacity. Specifically, framing the events of an adverse negotiation in a way that focuses on the benefits, as opposed to the harms, could promote more relational behavior in subsequent negotiations, a premise that additional research could explore.

References


