

Turning Points in Negotiation

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Turning points refer to events or activities that change the direction of negotiation, usually moving from impasse to progress. The completed research to date has addressed the question of *when* and *how* turning points occur. Case analyses have shown that they occur following a crisis that jeopardizes the sustenance of the talks (Druckman, 1986, 2001). They take the form of clear, self-evident departures from earlier events or patterns during the negotiation process, sometimes appearing rather suddenly, other times more gradually (Druckman, 2004; Olekalns & Weingart, 2008). Less is known about *why* turning points sometimes facilitate and sometimes impede subsequent negotiations. In this article, we identify gaps in our understanding of turning points and discuss research approaches that have been used in their investigation.

Research Gaps

Turning points are often triggered by crises. In his study of base-rights negotiations, Druckman (1986) suggested that crises provide negotiators with an opportunity to re-frame the issues (also see Druckman, Husbands, & Johnston, 1991). The re-framing changes the way that negotiators think about their differences and may even encourage them to develop integrative solutions to the bargaining problem. The act of re-framing can be thought of as a departure in the negotiation process that paves the way toward agreements. But, crises can have the opposite effect as well: Their occurrence may discourage negotiators, leading them to terminate the talks with or without an agreement. Consequently, depending on their initial framing of the negotiation, individuals may choose to agree with the terms on the table, continue to negotiate, or terminate the talks, referred to by Iklé (1964) as a threefold choice. In an effort to reach agreement, they may also attempt to generate new, creative proposals, that is, to re-frame the negotiation. The alternative decisions may be influenced by several features in the negotiation context—transaction costs, shared identity, level of dependence, and issue area. Further, the features may be attenuated or amplified as a result of the relationship between the negotiators, specifically their initial levels of trust. Each of these factors is discussed in the paragraphs to follow.

Transaction Costs

Crises call attention to the costs of bargaining leading negotiators to seek a way out. Whether regarded as mutual pain, as in a hurting stalemate (Zartman, 2000), or as loss

of profits/expenditure of limited resources (Cramton, 1991), negotiators find ways to resolve their dilemma. This gains-cost perspective is emphasized particularly by economists and highlights strategic calculations of sacrifice through the course of bargaining. According to Cross (1969), this cost is the primary motivator of the whole process. The economic models posit that bargainers balance costs and gains in deciding whether to terminate, with or without an agreement, or to delay trade. At the point where costs outweigh the expectation of further profits, bargainers are encouraged to terminate the bargaining process with or without an agreement. By accepting available terms, bargainers resolve their impasse. They do so, however, without attempting to re-frame the issues. Two research questions are suggested: Do bargainers monitor costs and gains throughout the process? Do these calculations influence their decision to continue or conclude the negotiation?

Shared Identity

How negotiators perceive themselves relative to others—their relational self-construal—affects the extent to which they view the negotiation as one in which they share a common fate. Gelfand, Smith Major, Raver, Nishii, and O'Brien (2006), for example, propose that an interdependent self-construal leads to a greater recognition of the interconnections between self and others than does an independent self-construal. A shared identity may be created by perceived similarities between individuals, leading to the reclassification of others into an individual's in-group, consequently fostering a greater willingness to cooperate and coordinate (Kramer, 1991). There is indirect evidence that a shared identity will encourage negotiators to continue their negotiations after a crisis. In their study of external and internal precipitants of turning points, Druckman, Olekalns, and Smith (2009) showed that negotiators who regarded the other party as having shared goals and values were more willing to strive for agreement following a crisis. They argued that this occurred because the perceived shared values led negotiators to view the crisis as a common fate that, in turn, encouraged them to cooperate toward reaching agreements. Consequently, we suggest that when negotiators have a shared identity, they are more likely to endeavor to reach agreements, either by continuing the negotiation or by attempting to generate new proposals. This can be regarded as an hypothesis for further research.

Level of Dependence

In interdependent settings, individuals' relationships are in part defined by their level of dependence on the other person (Rusbult & Van Lange, 2003). Dependence on others is a defining characteristic of power, and increasing dependence signals decreasing power (Lawler, 1992). In negotiations, dependence is frequently operationalized in terms of the number of alternatives available to a negotiator. Because the exit costs for negotiators with many alternatives are lower than those for negotiators with few alternatives, they are less dependent on the other party (or parties) in the negotiation for an outcome. Consequently, they have greater power (e.g., Kim, Pinkley, & Fragale, 2005). An added

dimension, for negotiators, is the need to assess the other party's power: mutuality of dependence may increase the power of negotiators with few alternatives and decrease the power of negotiators with many alternatives, because the costs of walking away are equal for both parties. Even when power is unequally distributed among negotiators, low power negotiators do not necessarily comply with the demands of high power negotiators and high power negotiators do not engage in the unconstrained exercise of their power (Rubin & Zartman, 1999). We propose that both the level of dependence and how that dependence in distributed will affect the way negotiators interpret and respond to crises. This is an issue for further research.

Issue Area

The relationship between crises and turning points has been shown to occur primarily in talks over security issues: Turning points followed crises in the study on base-rights negotiation (Druckman, 1986); de-escalation usually followed escalatory consequences in the security cases analyzed in Druckman (2001). It appears that crises occur more frequently in security than in other types of negotiations. A way out is often sought by turning to third parties with fewer stakes in the outcome. Indeed, we found that external precipitants, usually in the form of mediators, were more frequent (11 of 13 cases) in the security than in political/environmental (two of 11 cases) or trade (four of 10) cases. Third parties may be sought in security talks, where, because the consequences of failure are considerable and trust is low, negotiators are averse to taking risks. The relationship between perceived risk and external intervention is an issue that merits further research. A related issue is the extent to which third parties precipitate departures that lead to agreements in high risk, low trust negotiating environments. A third research issue deals with the role of third parties in preventing and dealing with the occurrence of crises: Are departures in the direction of progress more likely to occur in the realm of prevention (before a crisis occurs) than resolution (after a crisis occurs).

Moderating Effects of Trust

In the preceding paragraphs, we have identified four contextual variables that influence, how negotiators respond to a crisis. We have proposed that, depending on the external context within which a crisis occurs, negotiators may agree, reframe, or terminate a negotiation. However, the interpersonal context within which negotiations take place acts as a second filter for the interpretation of crises. Trust is a critical aspect of the interpersonal context because it affects individuals' willingness to collaborate and coordinate. Past research shows that the level of trust at the start of negotiations shapes the kinds of turning points that are salient to negotiators as well as their reactions to crises (Druckman et al., 2009; Olekalns & Smith, 2005). An as yet unexplored question is how these two different aspects of the negotiating environment—context and trust—might interact to shape negotiators' reactions to a crisis. This question is an interesting one, because context can act as a substitute for trust by highlighting the costs and sanctions

associated with defection, and high trust can act as a substitute for such contextual information because it carries implicit guarantees about another person's behavior (McKnight, Cummings, & Chervany, 1998; Yamagishi & Yamagishi, 1994). While each variable will independently shape negotiators' responses to a crisis, the combined effects of contextual and interpersonal variables that jointly influence the extent to which another person's behavior can be 'guaranteed' remains to be explored.

Research Approaches

The research on turning points to date has consisted of both case studies and experiments. These are complementary approaches with different strengths and weaknesses. The case studies provide context, an extended process, and professional negotiators. Context includes external events, the interplay between domestic and international politics, and a legacy of negotiations between the parties. The extended process of real-world cases permits analysts to follow talks through several phases and trace the development of a variety of turning points that occur within these phases. The application of process-tracing methods for inferring causal trends (George and Bennett, 2005) depends on the availability of a relatively long time series of decisions. Interestingly, it is experimental research that calls attention to the importance of the experience gained by professional negotiators, largely not possessed by students in the laboratory (Thompson, 1990, 1993). These findings suggest caution when seeking to generalize laboratory findings.

Experiments provide control over the negotiating situation, a clear distinction among independent variables (alternative theories or explanations) and a close examination of an unfolding process. Control over the framing of a negotiating scenario provides an important analytical advantage: It facilitates comparison of impacts with those obtained from other kinds of situational frames. Most important, perhaps, is the opportunity, provided by experiments, to anticipate the occurrence of departures (see Druckman et al., 2009). This prospective feature complements the retrospective knowledge gained by case studies. A more complete understanding of turning points would result from a mixed-methods research strategy.

Retrospective and prospective approaches to analysis can be connected by reproducing, in the laboratory, a turning points sequence found to occur in a case. This can be carried out for each of several issue areas. For example, in the 1972 SALT I talks on arms control between the Soviet Union and the United States, the Soviet nuclear arsenal reached parity with the United States (an external precipitant) leading the United States to suspend further nuclear weapons development (an abrupt departure) and bringing them to the table for bilateral talks (an immediate de-escalatory consequence). This sequence can be simulated by treating the parity development as an independent variable defined in background information as either a closing of the gap or substantial differences in the country's arsenals. Departures and consequences are dependent variables in the simulation: The former are assessed by decisions to either come to the table with an agenda for serious bargaining or to stall by pursuing prenegotiation discussions. Consequences are observed as progress in the talks or in prenegotiation discussions.

Results that show a replication of the case sequence support arguments for external validity.¹ Sequences reproduced from those found in other types of cases (trade, environmental) would introduce issue area as an independent variable as well as extend the database for evaluating validity.

The retrospective–prospective distinction has implications as well for identifying turning points in a sequence of events. As noted earlier, turning points are clear and self-evident departures from earlier events or patterns in the negotiation process. They are impactful decisions taken by one or all parties, defined as intensity, duration, and abruptness. Two elements of this definition warrant further discussion: the ideas that departures are *self-evident* and *impactful*. The former suggests that negotiators are aware of these events when they occur or in retrospect, following the talks: *Did* a turning point occur? If so, then, negotiator reports provide useful data, particularly when opposing negotiators' judgments agree. Accurate identification of turning points enhances prediction in retrospect, referred to as postdiction.

A related issue is the extent to which negotiators, by their actions, precipitate departures: negotiators have more control over internal (substantive and procedural) than external precipitants. Their control of the process, including the induction of a crisis, enables them to anticipate or predict the occurrence of turning points: *Will* a turning point occur? These two types of self-reports are complementary: Prediction can be validated with postdiction. (See Druckman et al., 2009, for an application of both strategies in two experiments.)

A turning points analysis posits a causal sequence stretching from events that occur before to those that appear after a departure. Considered to be a process trace, the three elements of this sequence are related by proximity: precipitants immediately precede departures that produce immediate consequences. But, is proximity sufficient to justify an inference of causation? Does this criterion eliminate ambiguity or alternative plausible explanations for departures? These questions are particularly relevant to retrospective analyses of cases, where analysts reconstruct the process sequences that have occurred. Increased confidence in causal attributions comes from seeking multiple sources of data, including expert opinion, negotiator self-reports, and sensitivity analysis.² But the counter-factual question remains: What if the crisis had not occurred?

Causation is addressed more directly by experiments, where precipitants are manipulated and negotiator responses are gauged.³ More generally, issues of causation open a window on the way research strategies (retrospective or prospective approaches) connect to assessments of impact before—from precipitants to departures—and after—from

¹Note that this approach reverses the typical validation strategy by performing the case analysis before conducting the experiment. A retrospective case study precedes the prospective experiment in this example.

²By sensitivity analysis, we refer to explorations of alternative precipitants, which may include both single and combined (bundles of) precipitants.

³The experimental elements of time lag and proximity emphasize the immediate situation. This focus is a hallmark of the Lewinian perspective in social psychology as well as other approaches that highlight situational rather than historical causes of behavior. (See Druckman, 2008, for a review of these approaches.)

departures to consequences—the occurrence of departures. (For a sophisticated treatment of analytical issues in turning points research, see Cohen’s [2008] discussion of data and measurement concerns in the areas of developmental and life-span psychology.)

Conclusion

Negotiation scholars increasingly recognize that as a negotiation unfolds over time, negotiators adapt their strategies in response to external events and internal processes. Yet, despite a growing literature attesting to the improvisational aspects of negotiation, researchers rarely explore how and why the dynamics change over time. This neglect seems all the more puzzling because we have good evidence, from case study analyses of large-scale negotiations and from experiments, that the critical events punctuating negotiations also propel them onto a different course. In this article, we have captured the knowledge that has been accumulated to date about these events, identified gaps in the knowledge, and discussed the way that case studies and experiments can be used as complementary approaches to research on turning points. A next step will be to address the lacunae with a multi-method research strategy.

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