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Raiffa Transformed the Field of Negotiation–and Me

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Abstract

Howard Raiffa was a role model, friend, and inspiration. He transformed the field of negotiation, and he transformed my career. This brief article provides a recollection of how Howard revolutionized the field of negotiation, and how those insights are now affecting broader areas of the of the social science. Howard received the 1999 Lifetime Achievement Award from the International Association for Conflict Management.

I write this article in remembrance of the wonderful life and career of Howard Raiffa, who passed away in July 2016. By the time I first encountered Raiffa's work 35 years ago, he had already made major contributions to game theory and decision analysis, co-founded what is now the Harvard Kennedy School of Government, and was the founding director (in 1972) of the International Institute for Applied Systems Analysis in Austria, which focused on promoting scientific cooperation between the United States and the Soviet Union during the Cold War.

Reading Raiffa's 1982 book *The Art and Science of Negotiation* changed my understanding of negotiation, my orientation toward research, my ability to make a contribution to the field, and my life in general. When I read the book in 1982, I was 27 and had not yet taught a course on negotiation. Maggie Neale, my first doctoral advisee, and I had spent two years working on a series of behavioral experiments on negotiation, rooted in the labor relations literature (e.g., Bazerman & Neale, 1982; Neale & Bazerman, 1983). Loosely familiar with the emerging work of Kahneman and Tversky, we were trying to figure out how to make negotiators more effective but lacked a prescriptive structure for thinking about our goal state.

At the time, a significant amount of research was being conducted on the social psychology of negotiation, including how the characteristics of negotiators (such as personality variables) and the structure of the situation confronting negotiators (such as the backdrop of an arbitration hearing) affected negotiation outcomes. Aside from the acknowledgment that more dollars was better than fewer dollars, there was little focus on the dependent variable. On the economic side, game theorists were theoretically exploring the outcomes of negotiation games under the assumption that negotiators would behave completely rationally. As of 1982, there was little in the economic or game theory literature that attended to emerging behavioral decision research documenting the systematic and predictable departures that humans make from rationality (Tversky & Kahneman, 1974; Kahneman & Tversky, 1979). Economists were still in full denial about the revolution that would become the subfield of behavioral economics. But in the negotiations field, this connection started to form around Raiffa's framework.

In 1982, social psychologists and economists rarely interacted; the topic of negotiation had not brought them together. One exception was the excellent work of future Nobel Prize winner Al Roth (Raiffa's "grandstudent," with Robert Wilson being the advisory node between them), who teamed with Keith Murnighan when they were both at the University of Illinois to produce a dozen papers empirically examining the actual behavior of negotiators in stylized games, including prisoner dilemma games and coalitional bargaining games (see Conlon, Bazerman, Malhotra, & Pillutla, 2016). Roth and Murnighan used sociology and psychology to explain the outcomes that were inconsistent with standard economic theory. Their work was decidedly descriptive, like most work in social psychology—that is, they were describing how people actually make decisions in negotiations. By contrast, most theorists thought they were prescribing how negotiators should behave, but were doing so based on faulty assumptions about the rationality of the other parties in the negotiation.

Raiffa's *The Art and Science of Negotiation* transformed the field with what he called an "asymmetrically prescriptive/descriptive" approach. It was not a catchy term, but it captured what Raiffa was trying to accomplish. "Asymmetrically" referred to a focus on only on one of the actors—the focal negotiator. The core of this approach was prescriptive: Raiffa was seeking to give the best advice possible to the focal negotiator. He was also recognizing that, counter to the rationality assumption embedded in game theory at that time, negotiators needed advice. (If they had been fully rational, no advice would be needed.) But Raiffa also recognized that the optimal advice for the focal negotiator depended on the actual descriptive behavior of the other party (or parties). Raiffa's perspective called for descriptive results that would allow the focal negotiator to anticipate her opponent's likely behavior. This framework guided all of my research in negotiation, created a structure in which economists and psychologists could interact, and transformed the teaching of negotiations in the decades to follow.

I got to know Howard a bit at the Program on Negotiation between 1983 and 1985, but spent far more time with him on my return to the Boston area in 1998. Howard became a friend, mentor, and inspiration, as did his spouse, Estelle. Howard was a generous person who valued his students to a remarkable degree. He also worked on very basic ideas that had the power to inform practice. Unlike many in his era, he saw the powerful connection between theory and practice. I vividly remember so many seminars during which he was quiet throughout, only to offer the best insight of the day during the closing

Figure 1. Dr. Raiffa in a Harvard classroom in 1975 (Richard A. Chase, HBS Archives Photograph Collection, Baker Library, Harvard Business School).

minutes. I do not claim to have his brilliance, insight, or kindness, but I have often used him as a role model for the direction in which I would like to move.

When I meet new people and tell them that I teach negotiation, they often ask me what I teach in my courses. I tell them that I try to teach people how to think about negotiations in the way Raiffa outlined in *The Art and Science of Negotiation*: to identify what you are trying to accomplish, and then use decision analysis to assess the likely behavior of the other party or parties. In 2018, this answer seems so obvious—but we needed Raiffa's landmark book to make it obvious (Figure 1).

Three people created the building blocks that I have used throughout my career: Daniel Kahneman, Amos Tversky, and Howard Raiffa. Clearly, the structure for thinking about how people depart from rationality that permeates my career comes from Kahneman and Tversky. But I think that my own research has been moderately unique, in that I have been a behavioral researcher who focuses on helping people make good decisions—on prescription. This mindset of using behavioral research to offer advice is firmly rooted in the work of Howard Raiffa.

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