15.965 Power and Negotiation

Agenda

- Negotiation Style
- Interpersonal Style (MBTI and FIRO)
- Psychological Biases
- Sharc
- •Next Week (Chem-E and Video Case)

Traps to Avoid

- Anchoring
- Framing
- Illusion of Transparency

Psychological Traps to Avoid (Wu, G., 1997)

• Anchoring-

•Works because people make insufficient adjustments

•a good first offer can serve as an anchor

Psychological Traps to Avoid (Wu, G., 1997)

• Framing –

- time horizons
- aggregation is less painful
- fairness
- •losses vs. gains

•understand loss aversion•inflation vs. a salary cut

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In Most Situations: Intangibles Matters

•Communication

•Trust/Distrust

•Emotion

Perceptions of fairness
Outcome
Process
Interaction quality

MBTI

(Moore, T. & Woods, W. Personality Tests Are Back)

Myers Briggs Type Indicator:

Helps executives see how they may come across to others who may see things differently.

Provides team members with language to talk about Differences in an unthreatening way

"The Theory may be less significant than the communication it fosters."

MBTI

Introverted vs. Extroverted

Intuiting vs. Sensing

Thinking vs. Feeling

Judging vs. Perceiving

"The Theory may be less significant than the communication it fosters."

Communication

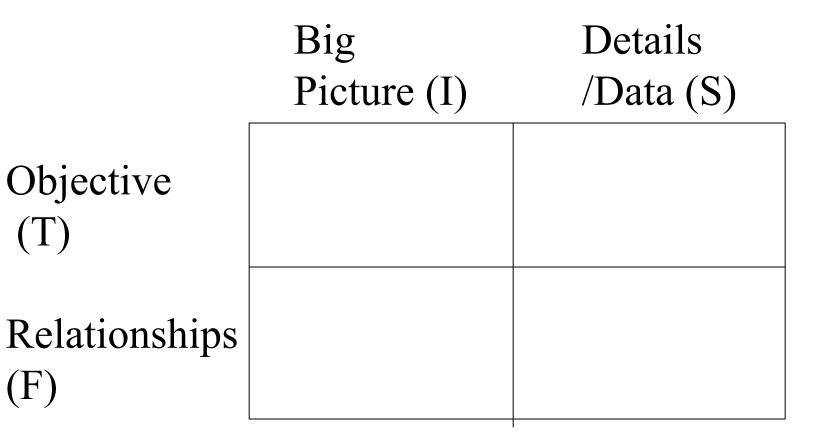
Two dimension of MBTI:

Big PictureDetails/Data(Intuiting)------(Sensing)

Objective LogicRelationships/Norms(Thinking)------(Feeling)

Communication Preferences

Two dimension of MBTI:



How much is enough?

Need for Control (0-9)
Need for Inclusion (0-9)
Need for Openness (0-9)

Dissatisfaction

- I do more than I want (positive difference)
- I do less than I want (negative difference)
- People do more than I want (positive difference)
- People do less than I want (negative difference)

Control Dissatisfaction

- I do more than I want (positive difference)
 Drained
 - •Pressured
- I do less than I want (negative difference)

•Desire to be more in control

Control Dissatisfaction

- People do more than I want (positive difference)
 - Pressured
 - •Too controlled
- People do less than I want (negative difference)
 - •Need for more organization
 - •Frustrated

Inclusion Dissatisfaction

- I do more than I want (positive difference)
 Drained
 - •Want more time alone
- I do less than I want (negative difference)
 Disappointed
 - worthless
 - •Desire for recognition

Inclusion Dissatisfaction

- People do more than I want (positive difference)
 drained
 - •overwhelmed

obligated

- People do less than I want (negative difference)
 - •ignored
 - unappreciated
 - •left out

Openness Dissatisfaction

- I do more than I want (positive difference)
 need more privacy
 uncomfortable, drained
- I do less than I want (negative difference)
 - •too businesslike
 - •too impersonal
 - •frustrated

Openness Dissatisfaction

- People do more than I want (positive difference)
 - want to focus more on work
 - frustrated, burdened, uncomfortable
- People do less than I want (negative difference)
 I am not liked as much as I want
 - •I am not trusted
 - •Frustrated

Take Aways

To create an interpersonal atmosphere for negotiating:

Understand...

•your personal style

•how your style interacts with others

•psychological biases and traps

Take Aways

•Communicate

•Signal Intentions through strategy

keep it simple "tit" for "tat" don't be the first to defect

•Don't be envious

•Notice different interpretations of Fairness Be aware of potential for bias