

The Power of Example: Closure and Common Ground

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Abstract: This paper suggests that for negotiation studies, the well-researched role of cognitive closure in decision-making should be supplemented with specific research on what sort of information is seized on as unambiguous, salient and easily processable by negotiators. A study of email negotiation is reported that suggests that negotiators seize on concrete examples as building blocks that produce immediate positive feedback and consequent utilization in establishing common ground.

Keywords: Cognitive closure, email negotiation, argumentation

Introduction

This paper is about the movement from uncertain suspicion to common ground, arguably the central cognitive effort involved in any negotiation.

In a contract negotiation for the terms of a lease, where commitment means a contract for several years and for a great deal of money, one would not expect the parties' vague hopes and intentions to cut much ice. However, the mere expression of a hope to open a 'Kid's corner' playground in a shopping arcade seems to be enough to ease stranded negotiations back into the stream of dialogue. This paper seeks an explanation in the notion of cognitive closure, and argues that the beneficial effects of closure are much underrated.

Below, section 2 reviews the arguments for involving the notion of cognitive closure in negotiation studies, and establishes the importance of the notion of common ground. Section 3 reports a study of a simulation, analyzed for the effects of a particular feature that arguably plays the role of the bridge between the two, viz. the use of concrete examples. Section 4 discusses the outcome in the light of explanatory value.

Background

Negotiation happens when two or more mutually dependent parties seek to distribute money, goods, services or other elements of value to them. There is no point in negotiating if a powerful party A can dictate to a powerless party B, or if there is no underlying conflict of interest, so that party A can freely take something they value from party B. But if there is a conflict of interest, it makes sense to find out what the other party values most, in the hope of finding compatible prioritization. This process is what is practiced in the training of negotiators.

In training, reasonably life-like negotiation is conducted under considerable uncertainty and without the benefit of a pay-off sheet. Therefore, when negotiators seek information about the partner's preferences, they also treat all information that is offered as arguments for a position potentially incompatible with their own interests.

Persuasion and argumentation

Much research on persuasion starts from the premise that there is a persuader and a target who may or may not process the arguments fully, as in the influential tradition from Petty and Cacioppo (1986). But in negotiation both parties are trying to persuade each other, with arguments whose basis may be not only incompatible but also incommensurable, like money and justice.

The double interactive role of persuader and target is a complicated communicative starting point for agreement – so much so that the presence of argumentation may in fact be a predictor of deadlock. Thus Roloff et al. (1989) show that the amount of persuasive argumentation is negatively related to integrative solutions; Bülow-Møller (2005) speculates that much argumentation is a symptom of a negotiator with a bad case.

However, a more satisfying explanation could be found in the processing patterns of argumentative negotiators: the more one party argues, the less time he or she spends listening. Parties who do not listen are unlikely to address the partner's prime concerns, and hence their self-directed argumentation is wasted.

But even for negotiators who do listen, there is uncertainty about the partner's intentions, a condition termed 'situational fuzziness' in van Kleef et al. (2010). This leads to biased listening, for negotiators are fearful of being taken advantage of, and may therefore be expected to seize on facts that confirm their skeptical beliefs, i.e. selectively focus on hypothesis-consistent evidence. Such 'seizing and freezing' forms the subject of research on various dimensions of closed minds, snap judgments and resistance, and the notion of cognitive closure holds considerable explanatory force for unnecessary deadlock.

Cognitive closure

For the present purpose, the body of research that underlies the prediction of early closure has developed the notions presented in Kruglanski and Webster (1996) and Webster and Kruglanski (1997). Again for the present purpose, the important notions are epistemic motivation, selective processing, and cognitive environment such as time pressure or cognitive busyness.

Epistemic motivation determines whether people engage in shallow (heuristic) or deep (systematic) information processing. High epistemic motivation leads to increased information search, and for negotiators this is an advantage. Thus persistent search for information has often been shown to lead to better joint outcomes (Ten Velden et al., 2010; for a recent negotiation overview, see also Thompson et al., 2010).

But the more the individual feels the need to get a firm answer, to disambiguate, or to see a structure, the stronger the likelihood of shortcuts. Crucially, for a complicated decision process like a negotiation, this applies not just once, but continuously: with many small judgments to make, like the decision to trust or not trust a particular move made by the partner, heuristics simplify the process.

When the starting point is a conflict of interests, selective processing of information may be expected along the lines of in-group bias and confirmation of beliefs. For the relative complexity of a multi-issue negotiation, there is a great deal of information to keep track of; belief-consistent evidence has been found to be more easily retained in memory, where ambiguous evidence would have delayed closure (De Dreu et al., 2008, Kardes et al., 2004).

Cognitive busyness is traditionally manipulated in the laboratory with tasks such as the retention of a 9-digit number (Palomares, 2011). While negotiators in reasonably life-like simulations are not under this kind of stress, they do try to juggle many different facts and considerations to achieve a sort of interactive, chess-like strategy, and can therefore be said to work under high cognitive load, which has high costs. For example, it leads to less discrimination in achieving closure (Halevy et al., 2006); under time pressure, negotiators tend to stick to pre-formed perceptions, e.g. of a fixed-pie scenario or a stereotype of the outgroup (De Dreu, 2003); and in conditions of cognitive busyness, creativity has been shown to fall (Chirumbolo et al., 2004).

It can therefore be assumed that a negotiation with complex options and high uncertainty will push the participants towards a desire for closure through heuristics and a search for closure along Kruglanski and Webster's original lines, viz. a strong influence by early anchors and stereotypes, less search for information and reduced perspective taking to understand the partner's view. Consequently, they will tend to seize on items that are salient and easy to process, thereby lessening the chance of integrative solutions.

Since this dismal prediction is not upheld for skilled negotiators, there must be other variables.

Constructing knowledge: Closure and common ground

I propose that if simulations of negotiation are conducted with high verisimilitude, i.e. with sufficient background detail, partly shared, partly private to one party, and if the case involves the option of some judicious logrolling of interests, rather than bargaining or reaching a logically correct decision, then it is possible to observe the process of joint knowledge construction in action. The closing of the mind, which has had such a bad press in negotiation studies, can then be shown to have a beneficial impact, as chunks of private information are offered and accepted and incorporated in the common ground that all negotiation tries to establish.

In particular the impact of concrete examples is interesting, representing as they do the recommendation of classical rhetoric to engage the audience by making it share visualizations. Salient examples are extraordinarily easy to process. If concrete examples can be shown to make a negotiator seize on a chunk of information offered by the opponent, even clearly in the opponent's own interest, then it must have disbanded the skepticism and the bias for confirmation. In other words, I propose that insufficient attention has been paid to the actual wording, i.e. the framing and the consequent selection of detail, that "sells" a chunk of information to a negotiation partner to the extent that it becomes common knowledge. This I shall illustrate with the results of a simulation.

The Study

The simulation was a variation of the Harvard case "Discount and Hawkins", where the problem is the wording of a lease, setting out rights and obligations concerning the "use and subletting of premises". With such a case, the product is less amenable to numerical analysis than bargaining for profit. The research here focuses on the negotiation dynamics rather than the result, as some of the solutions were considered sub-optimal (in the sense of sloppy formulation of conditions or lack of care with all relevant points). However, if the parties agreed on the issue in question, it is scored as "settlement".

The players represent a developer of a projected shopping centre and the proposed anchor tenant. Briefly, it is in the tenant's interest keep all possible freedom to withdraw if revenue is disappointing, either through terminating the lease or by subletting their space in part or completely. For such an anchor tenant the space is considerable and the investment in the location is part of a national policy.

Meanwhile, the landlord must have the security of a long-term lease in order to finance the venture at all, and he or she must control the mix of tenants, partly for the sake of the other tenants (to curb internal competition), partly to retain the targeted customers, which means that the right to sublet is a delicate matter.

Each party starts from their own standard lease, which, unsurprisingly, privileges their own interest in this matter; these versions have been exchanged and form part of the shared information, so both parties are aware of the exact nature of the conflict. The rent per square metre is not an issue, nor is there any forecast of income – the only figures in the simulation concern the length of the contract.

Tenants hold private information about the future plans for the national chain they represent in the kitchen-and-bathroom textile business. In the material issued to tenants, uncertainty about consumer preferences plays a major role, particularly in the long run; tastes and novelty in ten or twenty years' time are hard to predict, and hence an argument for flexibility. The landlords have detailed knowledge of their smaller tenants, whose leases are shorter, but whose customer base should nevertheless not be cannibalized by a large company; therefore, they want their major tenant to stay firmly in their present business. They also have reason to fear for the ambience of the shopping centre if undesirable tenants move in, and to forestall this eventuality they insist on a clause that allows them to screen candidates for sublet leases.

With this information, negotiators can stay at an abstract level and argue that for a fruitful relationship, their respective basic needs are flexibility, at least long-term flexibility, and stability, at least, short-term stability, and work for a compromise; or they can delve into their information and divulge examples, as a way of legitimising their claims and building trust.

Participants and medium

From a cohort of 86 voluntary international business school students, collected from classes over two years, 38 dyads produced useable transactions, negotiating over email over a period of two weeks.

The medium of email is not unproblematic for negotiations. The leanness of the medium has been charged with several factors leading to impasse, among them the tendency for conflicts to get out of hand with a faceless Other (Friedman and Curral, 2003), distrust of motives (Volkema and Rivers, 2008), even 'sinister attribution bias' (Thompson and Nadler, 2002), and lower outcome satisfaction (Purdy et al., 2000). On the other hand, the medium is well suited to the exchange of drafts of text, as it affords what Dennis, Fuller and Valacich (2008) call 'reviewability' and 'revisability': the negotiator can keep track of what has been exchanged far, and it is possible to read over one's response and edit it before pressing 'send'.

However, the greatest danger to a useful outcome may lurk in the turn-taking structure of the emails, since the medium seems to discourage diagnostic questions. On the mail, negotiators tend to heap up their concerns and suggestions in messages that are too long to answer comfortably, a characteristic known as ‘bundling’, which is apt to stimulate self-serving, cherry-picking answers (Friedman and Currall, 2003). A series of exchanges detailing why the writer cannot accept the other party’s suggestion and adding a slightly modified suggestion of one’s own may be called ‘double monologue’ rather than dialogue, and it will typically display versions of early closure.

However, picking the medium of email was a conscious choice, not just for the ease of reference, but for the explicitness it entails. Suggestions and uptake are clearly documented in the texts – what could be accomplished with nods or back-channelling noises in face-to-face interaction must be acknowledged in writing. Secondly, if even in these somewhat inauspicious circumstances the opponent’s concrete examples are picked out and integrated, they can be taken to represent real common ground.

Results

While the case concerned both the use and subletting of the premises and the length of the contract, concrete examples were limited to the former, and ‘successful settlement’ was therefore only judged in relation to this issue.

Of the 38 negotiations, 27 contained concrete examples; 24 of these led to settlements, while 3 led to impasse. Further, 11 scripts contained no examples; of these 9 contained no settlement on the issue, while 2 scripts contained no examples but settled anyway.

Table 1. Examples and settlements

	With ex	Without ex
Settlement	24	2
No settlement	3	9
Total	27	11

In a 2x2 contingency table, Fisher’s test yields a two-tailed P value of less than 0.0001, which is clearly significant.

The extracts below illustrate the positive dynamics; the quotations bear the stylistic hallmarks of email (not proof-read for spelling and grammar) and of non-native English (instances of inaccurate vocabulary, which does not seem to have caused any misunderstanding, however). The concrete examples are highlighted.

Example 1

(from Mess3, tenant).[...] For instance, western regions are currently trying out the Kids' Club House, a space in the shop set aside for children to be supervised while parents shop. With such restrictions, [tenant] would have to ask the landlord's approval everytime a new innovation is conceived for the market, making the process slow and bureaucratic. [...]

(from Mess4, Landlord) Thank you for your email. I now feel I have a much better understanding of your point of view of this case.

I can see how it is important for [tenant] to not be constrained in developing its retail concept. Innovation is important to maintain a novelty attraction in the shopping centre that will draw customers. However [... 2 lines...] Is there any way we could extend the clause and make it more specific? This could be an inclusion of some frame for the use of the premises, for example that it cannot be changed to a fundamentally different area of retailing, say a hardware store or electronics [...]

(from Mess5, Tenant) Thank you for your prompt reply. I'm very happy you understood the concerns of my client about the deal. I'm much more optimistic about it, now. To be sure we don't aim for fundamentally different areas, so what I suggest [...]

Importantly, in all successful transactions with examples, the opponent's example is acknowledged in the very next turn, in 8 cases also with repetition of the example:

Example 2

(from Mess2, Tenant) [...] We are aware that you need some security in terms of knowing who you are subletting to, and which products will be sold, in order to finance your project. Unfortunately you must understand that a clause as proposed would potentially block are business from development, if a change was deemed "not in a manner consistent with the kitchen and bathroom textiles retail operation described in the lease".

If you have a look at shops today you will see a development where shops add or remove products according to the market. Lets make a fictional extreme example: lets say people suddenly stop wanting curtains in their kitchens, but want aquariums to cover their windows. this would deprive us of a product to sell, but we would also not be allowed to sell aquariums as this might not coincide with the description of our business anno 2013.

(from Mess3, Landlord) Thank you for your reply. We are glad to hear that you are still onboard and that we are working towards a common best for both of businesses.

We have drafted up some points that we would like to hear your stand on:

- In case you can't utilize the full store-space you'll sublet it to us and we will find a suitable tenant for the excess space.
- You should of course be able to cater customer demands, and since one of your strengths lies within simulation of housing environments we will be able to make that work, including aquariums. This can be used to show people how an aquarium can complement their kitchen or bathroom environment. We grant you full right to fill your simulated living spaces with different accessories, but are not able accommodate your request for total freedom regarding product mix [...]

Discussion

Such exchanges show that examples are not only processed, but accepted and integrated. On this basis, I speculate that concrete examples lead to the kind of beneficial closure that translates from a situation of uncertainty to one of certainty-that-opponent's-motives-are-not-bad.

Settlement with examples

It is noticeable in the corpus that the tenants use examples of their hopes, i.e. plans that represent a departure from their current exclusive focus on bathroom and kitchen textile; while the landlords used examples of their fears, i.e. worst case scenarios of tenants that could be let in if subletting was out of their hands. It is likely that this difference stems from the nature of the conflict, inasmuch as the landlord is trying to limit the tenant's freedom.

In this sense, giving examples functions as accounts, "a linguistic device employed whenever an action is subject to evaluative inquiry" (Scott and Lyman, 1968). Thus, landlords account for their restrictions by inviting the tenant to share a scenario where the shopping centre is invaded by dealers in pornography or weaponry if the tenant sublets uncritically, and, equally legitimately, the tenants invite the landlord to share a scenario where they exceed their current limits by establishing a supervised playground for children, follow consumer trends in incorporating non-textile kitchen and bathroom furnishing, or equally un-threatening initiatives. In other words, the shared scenario represented by the concrete example functions as an argument for the proposition "I have our joint best interest at heart", and this induces trust.

Impasse with examples

However, examples are not a panacea for a conflict of interest: there are cases of examples that fail to move the partner. This requires explanation.

It was argued above that examples are part of statements that function as arguments for the two sides' interests in flexibility and stability, respectively. In argumentation terms, opponents in a debate lean on

'presumptive reasoning' (Walton, 1990): they assume that after an argument has been proposed, the burden of (dis)proof lies with the opponent, so that unless it is specifically defeated, the argument should stand. However, there is a difference between debates over single issues and a negotiation, where equally legitimate arguments point in opposite directions for the two parties trying to persuade each other.

An argument is classically evaluated in terms of epistemic acceptability (is it credible?), relevance (does it address the conflict?) and sufficiency (is it enough to tip the balance?) (van Eemeren et al., 1996). Since these criteria are subjective (Kock, 2007), it seems that some negotiators assign less value to the examples than others (i.e., the examples may be both credible and relevant, but judged to be insufficient to overcome basic skepticism and tip the balance.) It is possible that such at most partial acceptance is related to the individuals' need for closure; this was not examined in the present case.

Secondly, it would have been perfectly possible for (insensitive) negotiators to give concrete examples of some plans that did not address the partner's concern; in theory, tenants could have had a brief that included, say, the establishment of a beer garden with facilities for very large dogs. In such a case the example would not have served as an argument for the underlying proposal of joint interest, but rather as an easily processable confirmation of initial distrust. There are no examples in the corpus of such ill-chosen examples, which presumably means that participants are well aware of the argumentative pull of their choices. In other words, it is not just the presence of examples, but of examples relevant to the exploration of common ground, that is conducive to settlement.

Conclusion

The general tendency illustrated in this study is that while the use of examples is neither necessary nor sufficient for immediate settlement, their presence is positively associated with settlement. Their function seems to be to contribute to over-all certainty, i.e. to the dismissal of suspicion, so that dialogue continues on a basis of trust. In contrast, negotiators who stay at the abstract level, like "we must be flexible enough to move with the times", fail to allay fears. Thus, in negotiation theory terms, the examples seem to shift the locus of the conflict into grounds that can be managed (Putnam, 2010).

It is this acceptance of the import of the examples as arguments that I suggest should be seen in the light of cognitive closure. It is the cognitive movement from 'Oh', via 'Aha', to 'Well, fair enough' that I regard as instances of beneficial closure: a snap judgment so that once instances like 'a playground is a good idea' or 'pornography is a bad idea' have been integrated by the both parties, the wider issue of intentions is no longer open to discussion.

It should be stressed that we are dealing with one factor among many, and that such 'little closures' do not in themselves decide the outcome of a negotiation. However, I would like to suggest that this particular factor has not been examined, and that it contributes to our understanding of the cognitive processes that shape decisions.

Reservations

Clearly objections can be raised about the cognitive processes of students who have, after all, been briefed with facts about a fictive world. For development, a full project should seek evidence outside the laboratory of the classroom.

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