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# Power and Negotiation

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# Agenda

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

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# 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**

# Psychological Traps to Avoid

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- **Framing –**
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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 Picture

(Intuiting)

Details/Data

(Sensing)

Objective Logic

(Thinking)

Relationships/Norms

(Feeling)

# Communication Preferences

Two dimension of MBTI:

	Big Picture (I)	Details /Data (S)
Objective (T)		
Relationships (F)		

# FIRO Element B

## How much is enough?

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

# FIRO Element B

## 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)

# FIRO Element B

## 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**

# FIRO Element B

## 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**

# FIRO Element B

## 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**



# FIRO Element B

## 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**

# FIRO Element B

## 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**

# FIRO Element B

## 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