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CHAPTER 6

THE IMPACT OF IMPLICIT NEGOTIATION BELIEFS ON MOTIVATION AND COGNITION IN GROUP NEGOTIATION

Michael P. Haselhuhn and Laura J. Kray

ABSTRACT

Purpose – Recent research has highlighted the importance of individuals’ beliefs regarding the malleability or fixedness of negotiator characteristics as key determinants of negotiation processes and performance. In this chapter, we examine how these implicit negotiation beliefs affect negotiation at the team level.

Approach – We explore the effects of implicit negotiation beliefs on team negotiation by articulating a model that considers their impact on important group processes such as goal setting, conflict, and communication.

Findings – We propose that individuals’ beliefs regarding the fixedness of negotiator characteristics affect team negotiation processes and outcomes, in particular through their effect on interpersonal processes within a negotiation team. We expect that individuals who believe that negotiator characteristics are malleable will focus on long-term success, will devote relatively high levels of effort toward the team’s goals, and will share and discuss important information with other members of the team.
In contrast, individuals who believe that negotiator characteristics are fixed will focus on short-term goals, will dedicate relatively low levels of effort to the team, and may put their own self interest ahead of the team by withholding key information from other team members. In light of these differences, teams characterized by heterogeneity in team members’ implicit negotiation beliefs may experience high levels of intrateam conflict.

Value – This chapter suggests that implicit negotiation beliefs may have a powerful influence on team-level negotiation. Through our review and model development, we aim to stimulate research on implicit negotiation beliefs within groups and teams.

Keywords: Implicit theories; negotiation; intragroup

Interest in negotiator cognition has surged in recent years as researchers have recognized that negotiators’ perceptions of the situation are as critical in determining negotiation processes and outcomes as the objective parameters of the negotiation. These beliefs may concern the general concept of negotiation – for instance, negotiators who believe that the negotiation “pie” is fixed are less likely to share information with their counterparts (Bazerman & Neale, 1983; Thompson & Hastie, 1990). Other beliefs concern the negotiators themselves – for instance, performance is swayed by stereotypes of what constitutes an effective negotiator (e.g., Kray, Thompson, & Galinsky, 2001).

In our research, we have identified yet another set of beliefs – beliefs regarding the fixedness or malleability of negotiator characteristics – that have a powerful effect on how negotiators think, feel, and behave (Kray & Haselhuhn, 2009; Kray & Haselhuhn, 2007). Some negotiators believe that the ability to negotiate successfully is innate – that good negotiators are born that way. Others believe that negotiation is a skill that can be learned and that anyone can become a successful negotiator if they put their mind to it. Our research shows that these beliefs are linked to the goals negotiators set at the bargaining table, the ability of negotiators to overcome the inevitable challenges they will face, and the outcomes they ultimately achieve.

While this research has broadened our understanding of how individual negotiators think and behave in dyadic negotiation, it has not addressed the question of how these beliefs affect team negotiation processes. This omission is important, as coordination and communication in teams may be
related to the beliefs and goals members bring to the bargaining table. In this chapter, we propose that individuals’ beliefs regarding the fixedness of negotiator characteristics affect team negotiation processes and outcomes, in particular through their effect on interpersonal processes. We focus our analysis on situations where negotiators must work together to accomplish common goals, such as when a team of union negotiators negotiates with management, or when a family collectively debates and negotiates the purchase of a new house. We develop a framework linking individual implicit beliefs to group conflict and communication, and discuss the underlying role of motivation and goal setting in these relationships (Fig. 1).

We begin our analysis by introducing the implicit belief construct and review research conducted at the individual level and dyadic level linking these beliefs to negotiation and conflict resolution. We next discuss how implicit beliefs may affect team-level negotiation, focusing first on intragroup conflict, and then on group communication. We next turn our attention to practical considerations related to applying our framework within organizations. Finally, we conclude with an agenda for future research exploring the impact of implicit beliefs in team negotiation.

**IMPLICIT BELIEFS AND CONFLICT RESOLUTION**

Research in psychology and organizational behavior has demonstrated that individuals vary in their beliefs regarding the fixedness or malleability of a
wide range of attributes and characteristics (Dweck, 1996). Some people believe that characteristics such as intelligence or moral character are relatively fixed and that no amount of work or effort can change them (entity or fixed implicit beliefs). Others believe that these characteristics are relatively malleable and that people can change these attributes over time (incremental or malleable implicit beliefs). These perceptions are typically referred to as implicit beliefs, as they are seldom articulated. At the same time, however, these beliefs have powerful effects on cognition and motivation (Chiu, Hong, & Dweck, 1997; Dweck & Leggett, 1988). Research has identified stable individual differences in implicit beliefs (e.g., Heslin, VandeWalle, & Latham, 2006), though implicit beliefs can also be changed through subtle manipulation (e.g., Bergen, 1992; Haselhuhn, Schweitzer, & Wood, 2010; Kray & Haselhuhn, 2007).

Historically, implicit belief research has focused on achievement in academic settings. Recently, however, researchers have examined how implicit beliefs impact conflict resolution, generally, and negotiation processes in particular. For example, Kammrath and Dweck (2006) examined general beliefs about whether people can change their most basic characteristics in the context of conflict in romantic relationships. This research found that individuals with malleable implicit beliefs were more likely than those with fixed implicit beliefs to initiate attempts to resolve conflict in the relationship. Fixed belief individuals were less likely to believe that a romantic partner could ever really overcome his or her shortcomings and were therefore less willing to exert effort toward improving the relationship.

In more recent work, we examined implicit beliefs in the negotiation domain (Kray & Haselhuhn, 2009; Kray & Haselhuhn, 2007). In this context, implicit beliefs refer to the perception that people either can or cannot change how they approach negotiation, and whether they can improve as negotiators. We found that negotiators with malleable beliefs demonstrated superior performance in both distributive and integrative bargaining situations. Negotiators with malleable beliefs were more willing to exert the effort needed to work past initial roadblocks to ultimately achieve negotiation success. Importantly, negotiators’ goals appeared to mediate the effect of implicit beliefs on negotiation outcomes. Consistent with research on implicit beliefs in other domains, negotiators with malleable beliefs adopted learning goals in the negotiation, with a focus on learning new skills and growing as negotiators over time. In contrast, negotiators with fixed beliefs adopted performance goals and were primarily concerned with short-term success (see also Dweck & Leggett, 1988; Elliott & Dweck, 1988).
This research on implicit negotiation beliefs appears to be particularly relevant in the context of team negotiation. Not only do negotiation teams face the challenges confronting individual negotiators at the bargaining table, but they also face challenges related to coordination and communication that must be overcome if the team is to be successful. Individual team members must commit to the group’s goals and dedicate effort to the team to reap the benefits of working together. Given how implicit negotiation beliefs are intertwined with motivation and goal setting, it is important to understand how individuals’ implicit beliefs relate to group processes and outcomes. In the following sections, we explore how implicit negotiation beliefs relate to two important team processes: conflict and communication.

**IMPLICIT NEGOTIATION BELIEFS AND TEAM CONFLICT**

As teams meet to prepare for an upcoming negotiation, a certain degree of conflict might be expected. Disagreements can arise over the issues that are to be negotiated, the team’s collective position on these issues, and the strategies and tactics that should be used to accomplish the team’s goals. This conflict need not be destructive – indeed, a certain degree of intragroup conflict can help the group fully consider all relevant information and, ultimately, to make better decisions (e.g., Amason, 1996; De Dreu & Van de Vliert, 1997; Jehn, 1995; Simons & Peterson, 2000). Of course, understanding potential sources of conflict and how it can be resolved is crucial in ensuring that conflict is used productively. In this section, we first focus our attention on two major sources of team conflict – disagreement over goals and unbalanced contributions to the team – and discuss how individuals’ implicit beliefs can exacerbate or ameliorate conflict in these areas. We then turn our attention to conflict resolution and discuss how implicit beliefs may affect the resolution process.

**Conflicting Goals**

Effective teamwork requires agreement within the team regarding the primary objective that the team should pursue (Larson & LaFasto, 1989; Thompson, 2006). Thus, a potential source of conflict in teams stems from disagreement over these goals. If group members disagree as to what the team’s objective should be, or if individual members hold personal goals
that deviate from those of the group, then team performance is likely to suffer. For example, a union team may disagree as to whether they should prioritize the short-term concerns of the union by negotiating for higher salaries or whether they should make long-term union concerns (e.g., pension contributions) a priority. Given the direct link between implicit negotiation beliefs and goal setting, it is important to understand how these beliefs may lead to conflicting goals.

As previously noted, implicit negotiation beliefs relate directly to the goals negotiators adopt. Individuals with malleable implicit beliefs adopt learning goals and are primarily concerned with improving performance over time. They are willing to make mistakes to learn new things that can help them improve in the future. Individuals with fixed implicit beliefs adopt performance goals, and are primarily concerned with short-term performance. For these individuals, any failure represents a lack of competence or ability (Elliott & Dweck, 1988).

The chief implication of this link between implicit beliefs and achievement goals is that heterogeneity in team implicit negotiation beliefs may be accompanied by disagreement over the goals that should be pursued. As individuals with malleable implicit beliefs are primarily concerned with long-term success and improvement over time, these individuals may focus on and prioritize issues related to future value – for example, pension contributions in a labor contract, or the interest that must be paid over the life of the loan in a mortgage contract. In contrast, because individuals with fixed implicit beliefs are concerned with short-term success and demonstrating immediate competence, these individuals may focus on short-term goals. For instance, fixed belief negotiators may prioritize an immediate increase in pay in a labor contract, or the amount of money required for a down payment when selecting a mortgage broker, even if winning concessions on these issues results in higher costs over time.

This analysis suggests that negotiation teams characterized by diversity in individuals’ implicit negotiation beliefs may experience a high level of disagreement over the issues that should be prioritized during a negotiation: Individuals with fixed implicit beliefs will champion short-term concerns, while those with malleable implicit beliefs will shift attention toward the future. In comparison, teams composed of primarily fixed belief or malleable belief individuals should experience little conflict when discussing the issues that should be prioritized, at least with regard to the general type of issue that should receive the most attention.

Heterogeneity in team implicit beliefs may have more subtle implications for team conflict as well. Even when team members agree on the specific
goals that the team should pursue, they may experience disagreement over the underlying interests they wish to fulfill. For example, a team of labor negotiators may agree that they will focus on increasing health benefits for company employees in an upcoming negotiation. Team members with malleable implicit beliefs may value this issue because it fulfills the long-term goal of improving worker quality of life. In contrast, team members with fixed implicit beliefs may seek increased benefits because winning concessions from management on such a high-profile issue will demonstrate to their constituents that they are strong negotiators.

These differences in underlying interests represent latent conflict (Pondy, 1967). If the negotiation goes well for the team, the contrasting viewpoints may never surface. In the union negotiator example, if the team is able to achieve increased benefits for its constituents, all negotiators should be satisfied, regardless of their underlying reasons for pursuing the goal. Under certain circumstances, however, this latent conflict may become manifest conflict, forcing the team to confront the disagreement. This may be most apparent in situations where negotiators search for creative solutions that satisfy each team’s underlying interests while attempting to maintain flexibility on specific positions. In the current example, imagine that the management negotiators refuse to increase employee benefits, but are willing to subsidize gym memberships for its employees. Negotiators with fixed implicit beliefs may wish to reject this offer—in their view, it represents a failure to achieve their team’s expressed goal and could be taken as a sign of poor negotiation on their part. Negotiators with malleable implicit beliefs, on the contrary, may be open to this creative solution as it satisfies their overarching goal of improving employee well-being. Once again, heterogeneity in group implicit beliefs may lead to increased group conflict as team members must balance their conflicting objectives.

Underlying differences in goal adoption may also affect the negotiation process itself. Even if individual negotiators within a team agree to pursue the same goal, their implicit beliefs and corresponding achievement goals may lead them to approach the negotiation process differently. For example, if fixed belief negotiators are threatened by the possibility of “losing” a negotiation, they may be relatively unwilling to give ground to the other side by making concessions. This could lead to tough battles within a negotiation team as they prepare offers and counteroffers. Taken to the extreme, if fixed belief negotiators within a team drive the team’s negotiation strategy, the unwillingness to make concessions could increase the likelihood of impasse in intergroup negotiation. Conversely, fixed belief negotiators may argue that their team should withdraw from a negotiation
(or not initiate a negotiation in the first place) if they lack confidence that the team can succeed (cf. Elliott & Dweck, 1988). In sum, diversity in team implicit negotiation beliefs may increase conflict both within and between groups as negotiators disagree over the team’s priorities and how team goals should be pursued.

**Effort**

Potential disagreement over team goals is only one implication of the link between implicit negotiation beliefs and negotiator goal-setting and motivation. Another important facet of implicit negotiation beliefs relates to the effort and commitment put forth by negotiators at the bargaining table. Even simple dyadic negotiations require a great deal of effort to achieve optimal results – negotiators must balance the tension between value-creation and value-claiming and should prepare rigorously for challenges they may face (Lax & Sebenius, 1986).

Team negotiation requires the same general commitment of effort for preparation and bargaining as does dyadic negotiation, but also requires team members to dedicate time and energy toward coordinating as a group, both before and during a negotiation. Problems arise when team members fail to commit the necessary effort. Of particular concern is when team members differ with regard to the relative effort they put forth compared to others in the group. Effort-related issues such as social loafing and diffusion of responsibility are sources of conflict and general roadblocks to group productivity (Thompson, 2000).

Research at the individual level shows that implicit negotiation beliefs relate to effort and perseverance. Negotiators with malleable beliefs are generally willing to exert effort even when the going gets tough. These individuals are willing to risk failure in the hope that they can learn something useful to apply in the future. Negotiators with fixed beliefs, on the contrary, exert effort only when it looks like they are going to succeed. For these individuals, there is nothing worse than trying hard and failing – this only confirms an utter lack of ability. When it looks like they may not achieve their goals, negotiators with fixed beliefs give up (Dweck & Leggett, 1988; Elliott & Dweck, 1988).

The link between implicit negotiation beliefs and effort has two implications for group processes. First, this suggests that teams comprising fixed belief negotiators may exert less effort, on average, compared to teams comprising malleable belief negotiators. Previous research has demonstrated
that implicit beliefs aggregate at the dyadic level, such that dyads that collectively hold more malleable beliefs dedicate more effort to the negotiation process and achieve superior outcomes compared to dyads that collectively hold relative more fixed beliefs (Kray & Haselhuhn, 2007). We expect similar aggregation and outcomes at the group level: Teams composed primarily of fixed belief negotiators may be less willing to work to overcome challenges within the negotiation team and during the negotiation itself, resulting in comparatively worse negotiation performance relative to teams composed primarily of malleable belief negotiators.

Second, the link between implicit negotiation beliefs and effort suggests that problems with relative contribution (e.g., social loafing) may be exacerbated in groups characterized by heterogeneous implicit beliefs. If a negotiating group runs into challenges, whether it be a tough counterpart or a group that doesn’t get along, negotiators with fixed beliefs may withdraw effort and leave tasks up to other members of the group. The burden of the group may fall to those who are willing to persevere to overcome these challenges, that is, those with malleable beliefs. If team members recognize the discrepancy in relative contribution, conflict may result.

**Conflict Resolution**

In addition to affecting the level of conflict within a team, implicit negotiation beliefs may also affect how this conflict is resolved. Previous research suggests that individuals who believe that people can change even their most basic characteristics are more willing to work on relationships to try to improve interpersonal interaction (Kammrath & Dweck, 2006). Individuals with malleable beliefs are often willing to forgive others for previous transgressions and are open to attempts to rebuild fractured relationships (Haselhuhn et al., 2010).

We expect that implicit negotiation beliefs will have similar effects in a team setting. Malleable belief individuals think that people can change how they approach conflict and who they are as negotiators. Thus, they may perceive interpersonal conflict or disagreement within the team as a challenge that can be overcome by shifting perspectives or approaches. Individuals with malleable beliefs should be open to discussing the group’s strengths and weaknesses, a critical component of successful conflict resolution (Jehn, 1995; Pelled, 1994). In addition to initiating resolution attempts, these individuals might also be receptive to the attempts of others to improve group performance, or to accept apologies and reparations for
previous transgressions (Haselhuhn et al., 2010). In sum, team members with malleable implicit beliefs should be relatively willing to initiate and take part in conflict resolution processes with an overall goal of improving team productivity and performance.

In contrast, fixed belief individuals believe that who people are as negotiators and how they approach conflict cannot be changed. These individuals are likely to believe that the fundamental ways that the group is designed and conducts business are set and that any attempts to change group characteristics and processes are futile. This mindset may lead individuals with fixed beliefs to either persevere through the perceived shortcomings, if they believe that the group can succeed despite them, or to exit the group altogether if they have the option to do so (cf. Kammrath & Dweck, 2006). Fixed belief negotiators will be less willing to spend time working on improving group function, as they believe that this is wasted effort. Should an interpersonal breach occur, group members with fixed beliefs will be less receptive to relationship repair efforts, meaning that fractured personal relationships may never be fully repaired (cf. Haselhuhn et al., 2010).

Taken together, this analysis suggests that team composition in terms of individuals’ implicit beliefs will have a major impact on how the team handles intragroup conflict. Teams composed primarily of individuals with malleable beliefs should be very willing to work with each other to overcome conflict that may arise. Teams composed primarily of individuals with fixed beliefs may find either that intragroup conflict persists or that the team experiences high turnover as unsatisfied team members exit the group. Finally, heterogeneity in team member implicit beliefs and their associated approaches to conflict resolution may lead to an ironic additional source of conflict – whether the group should work to resolve conflict in the first place. Team members with malleable beliefs may attempt to work on resolving the conflict, while team members with fixed beliefs could perceive these attempts as a waste of time.

Although we expect this pattern to hold for conflict resolution generally, it is also important to consider whether different types of conflict may moderate these effects. Fundamentally, implicit negotiation beliefs concern whether someone can or cannot change their most basic qualities and characteristics. In other words, these beliefs pertain to who someone is rather than what they do. Indeed, one item in the implicit negotiation belief scale (Kray & Haselhuhn, 2007) gauges agreement with the statement “People can do things differently, but the important part of how they handle conflict can’t really be changed.” This statement captures the idea that people can
change their actions and behaviors even though their underlying traits and characteristics are stable. This suggests that individuals with fixed implicit beliefs may be more willing to work to resolve conflict that stems from actions and behaviors, for instance disagreement over the particular tactics that should be employed in a negotiation. In other words, negotiators’ implicit beliefs may be less relevant for the conflict resolution process when the conflict arises from disagreement over the task at hand or how the task should be accomplished.

In contrast, the reluctance of fixed belief negotiators to engage in productive conflict resolution may be particularly strong for relationship conflict. To the extent that relationship conflict is attributed to personality clashes or general incompatibility between individuals, those with fixed beliefs may perceive little utility in attempting to improve the relationship (Kammrath & Dweck, 2006). This difficulty is compounded by the fact that fixed belief individuals typically attribute others’ behavior to stable individual differences, while individuals with malleable beliefs are more likely to attribute behavior to situational factors (Heslin, Latham, & VandeWalle, 2005; Dweck, Chiu, & Hong, 1995). Thus, fixed belief individuals may be more likely to misattribute task or process conflict to personal friction (Simons & Peterson, 2000), possibly exacerbating their unwillingness to work toward conflict resolution.

**Conflict Summary and Conclusion**

In this section, we argued that the individuals’ implicit negotiation beliefs may directly and indirectly affect the level of conflict present in a negotiation team. Our primary thesis is that diversity of implicit beliefs among group members will be associated with higher levels of latent and manifest conflict within the group due to both structural (e.g., disagreement over goals) and process (e.g., effort) concerns.

As previously noted, team conflict is not inherently bad. Indeed, a moderate level of disagreement over the group’s tasks or processes can improve group processes and function (Jehn, 1995). Our analysis suggests that diversity in implicit beliefs can increase task conflict in a team as they debate the appropriate goals to pursue and discuss team policies and procedures. Thus, a mix of individuals with malleable and fixed beliefs may improve team decision making and enhance creativity.

We now turn from team conflict to another key issue in team negotiation – communication. The team context emphasizes the natural importance of
communication and information sharing in negotiation, and team members’ implicit negotiation beliefs are intimately related to the kinds of information negotiators consider and discuss.

IMPLICIT NEGOTIATION BELIEFS AND TEAM COMMUNICATION

One of the primary benefits of negotiating as a team is the ability to share unique information and perspectives among team members. Introducing and discussing unshared information can broaden a group’s perspective, lead to more creative solutions, and can generally improve group performance relative to working individually (Paulus, 2000). In order for teams to reap these benefits, however, individuals must not only bring unique information to the table but also be willing to share this information with their teammates. In this section, we first consider how implicit negotiation beliefs relate to information sharing within teams as they prepare for a negotiation. We then turn our attention to the information teams discuss after they negotiate, and how counterfactual thoughts of how the negotiation could have unfolded differently are influenced by individuals’ implicit beliefs.

Information Sharing

In order for negotiators to achieve integrative negotiation outcomes, they must share information with their counterpart regarding their interests and priorities (e.g., Fisher & Ury, 1983). Because of the importance of information sharing, a great deal of research has been conducted at the dyadic level to understand the circumstances under which negotiators are more or less likely to share information. This research has demonstrated that negotiators are most likely to share information with one another when negotiators trust each other and view the situation as a collaborative opportunity versus a competitive battle of wills (Maddux, Mullen, & Galinsky, 2008; Curhan, Elfenbein, & Xu, 2006; Thompson, 1991). While this research has focused on dyadic negotiation, the same principles apply to intragroup negotiation as well – individuals who view the team experience as mutually beneficial should be more willing to share information and work collaboratively with their teammates compared to individuals who experience competition with other team members.

The tendency to perceive a situation as collaborative or competitive is strongly influenced by implicit beliefs and their associated achievement goals.
(Ames, 1984; Ames, Ames, & Felker, 1976). Individuals who adopt performance goals are concerned with demonstrating a high level of competence. In an interactive team setting, the goal of appearing competent often manifests as a desire to outperform others (Elliott & Dweck, 1988). In this way, performance goals can lead individuals to view such situations as competitive. In the team negotiation context, this suggests that individuals with fixed beliefs may be unwilling to share unique information with the team if they believe that others may take advantage of this information or that they might be forced to share credit for their contribution.

In contrast, negotiators who adopt learning goals are concerned with self-growth and improvement and have less of a focus on comparing themselves to others. Negotiators with malleable beliefs and learning goals view interactive situations as collaborative opportunities and believe that mutually beneficial outcomes can be obtained (cf. Elliott & Dweck, 1988). As such, individuals with malleable beliefs may be more willing to share unique information with other members of the group to capitalize on these integrative opportunities.

This analysis suggests that teams composed primarily of negotiators with malleable beliefs should share and discuss more unique information relative to groups composed primarily of individuals with fixed beliefs. Teams characterized by a wide range of implicit negotiation beliefs will fall somewhere in the middle, with some group members contributing more to the conversation than others. The ultimate effect of this asymmetric information flow is likely to depend on the importance of the unique information held by each individual. Research conducted at the dyadic level suggests that information sharing is moderated by the implicit beliefs of the person holding critical information. When negotiators have malleable beliefs, they share important information to the benefit of both parties, regardless of the other side’s beliefs. When negotiators hold fixed beliefs, they keep this important information to themselves to the detriment of both negotiators (Kray & Haselhuhn, 2007, Study 4B). We expect a similar outcome in heterogeneous negotiating teams, where the relative effects on information sharing will be mitigated or exacerbated depending on the beliefs of the individual holding key information.

Counterfactual Communication

The above analysis concerns information that is shared among team members before and during a negotiation. Equally important for group
performance over time is information that is shared after a negotiation. Following major events, such as negotiations, individuals often engage in counterfactual thinking, whereby they imagine how things could have gone differently. Some of these thoughts might concern how things could have been better (e.g., “We should have made a stronger opening offer – they agreed too quickly to our terms!”), whereas other thoughts might concern how things could have been worse (“Good thing we were really aggressive, otherwise they would have walked all over us.”). These musings are termed upward counterfactuals and downward counterfactuals, respectively.

Upward and downward counterfactuals serve different purposes. Upward counterfactuals serve a preparatory function, helping people see what went wrong and what can be improved. Downward counterfactuals, in contrast, serve an affective function, helping people feel better about a suboptimal outcome (Roese, 1994). Engaging in counterfactual thinking following a negotiation can have major implications for subsequent performance (Kray, Galinsky, & Markman, 2009). Individuals who consider how things could have been better tend to improve their performance over time, while those who consider how things could have been worse tend to maintain current levels of performance (Markman, Gavanski, Sherman, & McMullen, 1993; Roese, 1994; Roese & Olson, 1995). One implication of this work is that teams should be encouraged to generate and discuss upward counterfactuals following a negotiation to draw lessons from the past and prepare for the future.

Wong, Haselhuhn, and Kray (2010) found that implicit negotiation beliefs are related to the types of counterfactuals generated following a negotiation. Individuals with malleable beliefs tended to generate more upward counterfactuals than did individuals with fixed beliefs. Wong et al. argued that malleable theorists’ natural focus on growth and improvement over time is congruent with the purpose of upward counterfactuals, leading them to draw lessons from previous experience. Indeed, negotiators with more malleable beliefs showed improved performance over time, and this increase in performance was mediated by upward counterfactual generation. Negotiators with more fixed beliefs failed to show a similar improvement in performance.

Applying this research at the team level suggests that teams containing negotiators with malleable beliefs are likely to collectively generate performance-aiding upward counterfactuals following a negotiation experience. Teams composed primarily of negotiators with fixed beliefs are likely to generate comparatively fewer upward counterfactuals. While simple generation of these counterfactual thoughts may benefit individual
performance, full benefits for team performance will not be realized unless these thoughts are communicated and discussed with others. Thus, we must also consider how implicit beliefs affect counterfactual communication.

Upward counterfactuals that consider what one’s self or one’s team could have done better are most beneficial for improving future performance, as these thoughts identify causal antecedents that the individual or team can control in future negotiations (Roese & Olson, 1995). At the same time, however, these beliefs imply that the individual or team did not perform as well as it could have in the previous negotiation. Communicating such thoughts to others therefore represents an admission of suboptimal performance. As individuals with fixed beliefs are particularly concerned with demonstrating only positive information about their competence or ability, they might be reluctant to communicate thoughts of where they fell short. In contrast, individuals with malleable beliefs view mistakes as a natural part of the learning process. Thus, these individuals may be more willing to share thoughts of what they could have done better to help the team learn from the experience.

Taken together, this analysis suggests that negotiators with fixed beliefs will not only be less likely to consider upward counterfactuals following a negotiation, they will also be less likely to communicate any upward counterfactuals they may consider. Therefore, performance differences between teams of malleable belief negotiators and teams of fixed belief negotiators will amplify over time. Teams composed primarily of individuals with malleable beliefs will learn from previous experience both individually and through team discussion, while teams composed primarily of individuals with fixed beliefs will fail to capitalize on learning opportunities.

**Communication Summary and Conclusion**

Effective teams share unique information and think about how things could have been better after major events. In this section, we linked implicit negotiation beliefs to these critical processes, arguing that teams containing negotiators with malleable beliefs will be willing to share unique information with their teammates leading up to a negotiation and will be more willing to discuss what they could have done better following the negotiation. In contrast, teams containing a high proportion of fixed belief negotiators will share less information and will fail to learn from past mistakes.

This analysis suggests that from a team communication standpoint, teams should be primarily composed of individuals with malleable beliefs to take
advantage of these benefits. One potential concern with this advice, however, is that if implicit beliefs are related to other individual characteristics (e.g., gender, race, political affiliation, etc.), striving for homogeneity in implicit beliefs may inadvertently dampen diversity in other areas. In other words, malleable belief negotiators might be willing to share unique information, but if the group is too homogeneous, there may not be any unique information to discuss. In the next section, we discuss how team implicit beliefs can be managed effectively to avoid such issues.

**MANAGING IMPLICIT BELIEFS**

In previous sections, we discussed how individuals’ implicit beliefs may affect team processes and outcomes. As part of this analysis, we emphasized the importance of understanding team composition in terms of individuals’ implicit beliefs, and outlined the costs and benefits of heterogeneity in team beliefs. In some cases, negotiation teams may benefit from homogeneity in implicit beliefs – for example, teams composed solely of individuals with malleable beliefs are likely to show a great deal of improvement over time. In other situations, teams may benefit from heterogeneity in implicit beliefs – for instance, the task conflict generated by teams with diverse implicit beliefs may result in greater team creativity and innovation. Regardless of the specific situation faced by the team, negotiating teams may consider actively shaping the implicit beliefs of team members (or to be able to account for members’ implicit beliefs), either through selecting members based on their beliefs or by influencing the beliefs of current team members. In the next sections, we address both possibilities.

**Recruiting Based on Implicit Beliefs**

In our introduction to implicit belief research, we noted that implicit beliefs can generally be thought of as a stable, trait-like individual attribute. In other words, some individuals generally believe that negotiator characteristics are relatively malleable, while others believe that these characteristics are relatively fixed. These individual differences in implicit beliefs can be reliably measured using simple scales (e.g., Chiu, Dweck, Tong, & Fu, 1997; Hong, Chiu, Dweck, & Sacks, 1997; Tamir, John, Srivastava, & Gross, 2007). One implication, then, is that when designing a negotiation team, coordinators may wish to measure the implicit beliefs of potential team members, either to
construct a team where individuals hold particular beliefs or to simply know what the team’s beliefs are to predict how the team will work together.

Of course, coordinators may not wish to collect this information directly from potential team members for legal or practical concerns. In this case, we might also consider other how implicit beliefs relate to more observable characteristics. Researchers have examined the link between implicit beliefs and observable characteristics, such as gender and race, and have found little or no relationship between these characteristics and implicit beliefs (Dweck, 1996). With this in mind, managers may wish to draw on other signals of implicit beliefs. For example, organization members who have taken classes on negotiation might reasonably be expected to believe that they can improve as negotiators. Indeed, in our research, MBA students who elect to take a course on negotiation tend to have very malleable implicit beliefs, even on the first day of class. Not only will these individuals bring with them the skills and knowledge gained from the negotiation course, but they are also likely to have the malleable belief mindset that will help them to work well with other team members.

More generally, individuals with malleable beliefs tend to seek out tasks that allow them to learn new things, even if it means making a few mistakes along the way. In contrast, individuals with fixed beliefs tend to seek out tasks that allow them to easily demonstrate their ability and to avoid tasks with a high risk of failure. Organization leaders who have worked with employees over a period of time may have a sense of the types of tasks their employees prefer and can infer implicit beliefs accordingly.

**Inducing Implicit Beliefs**

Selecting team members based on their implicit beliefs can have benefits for team planning and for predicting team outcomes. Of course, controlling team composition is not always possible. For example, a family negotiating over a home purchase may not be able to choose which family members will and will not participate. Similarly, an existing work team may find itself needing to negotiate for additional resources and may not have the opportunity to rearrange the team for the negotiation. In this case, it is useful to consider how team members’ implicit beliefs may be influenced, either by other members of the team or by leaders in the organization who wish to shape the team in a particular way.

While individuals naturally hold fixed or malleable beliefs, researchers have demonstrated that these beliefs can be shifted through situational
factors ranging from the simple to the complex. These inductions have been shown to change people’s implicit beliefs for periods of time ranging from a few minutes to a few weeks or more. We review each of these inductions below:

**Persuasion**

A number of researchers have employed simple methods of persuasion to induce either fixed or malleable beliefs. For example, researchers might ask participants to read a short text ostensibly taken from a magazine or textbook. This text espouses either a fixed or a malleable perspective on individual characteristics within a particular domain, such as intelligence or negotiation. Many individuals who read these articles shift their beliefs in the direction supported by the essay (e.g., Bergen, 1992). Simply reading the text can result in a temporary shift in implicit beliefs (e.g., Haselhuhn et al., 2010; Kray & Haselhuhn, 2007), while coupling the text with self-persuasion techniques (e.g., encouraging people to think of a time when they were able to change something about themselves) has been shown to induce belief changes lasting longer than two weeks (Heslin et al., 2006).

People looking to influence the implicit beliefs of a negotiating team may use this information to their advantage. This research suggests that team implicit beliefs can be shifted easily by disseminating information supporting a malleable or fixed perspective. Simply communicating the desired perspective to a team may be enough to shift beliefs in the desired direction for a short period of time.

**Incentive Structures**

One potential source of long-term change in team implicit beliefs is the incentive structure used to motivate the team. In a classroom setting, Midgley (2002) found that incentive structures employed by teachers affected the long-term achievement goal orientations of students. Some instructors employed incentives geared toward learning and improvement. For example, students might earn a gold star if they showed marked improvement from one quiz to the next. Students in these classes tended to adopt learning goals both within and outside the classroom. Other instructors employed incentives geared toward rewarding performance relative to other students in the class. For instance, students might earn a gold star if they were in the top 10% of the class. Students in classes with these incentive structures tended to adopt performance goals. Intriguingly, classroom incentive structures were heavily influenced by instructors’ achievement goals – instructors who themselves held learning goal
orientations were more likely to reward improvement and growth, while instructors who were oriented toward performance goals in their everyday lives were more likely to reward relative performance.

The relationship between incentive structures and achievement goals is particularly relevant in work organizations. In a workplace setting, managers who reward improvement and growth might engender malleable beliefs and learning goals in their employees. For example, a company like Google that encourages workers to dedicate time and resources to trying new ideas might send the signal to workers that continual growth and improvement is possible. In contrast, managers who punish failure and reward relative performance might expect their employees to develop more fixed beliefs and performance goals. For instance, companies that rely on forced-ranking systems (e.g., Enron) might send the signal that workers are evaluated only on their current competence.

Pedagogical Influence
While the preceding sections discussed the broader issue of team organizers accounting for and controlling team implicit beliefs, we might also consider the role of educators in shaping negotiators’ beliefs. While diversity in team implicit beliefs may be useful in certain situations, our analysis suggests that malleable beliefs should generally be supported and promoted if we hope to improve negotiation processes and outcomes. As noted above, classroom structures have been linked with student achievement goal orientations, and these structures may similarly affect students’ implicit beliefs.

We propose that instructors of classes on Negotiation or Groups and Teams carefully consider how the course policies and procedures encourage or discourage malleable student beliefs. As in our discussion of workplace incentive structures, instructors may shape students’ beliefs through the rewards and punishments in the classroom. As an example, we have observed a range of evaluation procedures in MBA-level negotiation courses. In some courses, a significant portion of student grades stems from performance on in-class negotiation exercises. In these classes, students who perform better relative to their classmates are rewarded with higher grades. In this case, students may perceive this evaluation structure as rewarding students who possess a high level of negotiation ability, and punishing those who don’t have the ability to achieve similar levels of performance. This focus on rewarding existing ability may instill fixed implicit beliefs in the students.

In other courses, students’ grades are independent of their negotiation performance, and are instead earned through written essays and exams that
require the students to demonstrate their grasp of the class material. In this case, students may feel as though they are being rewarded on their personal growth and development and therefore may infer the message that they can improve their knowledge of negotiation theory and practice. In other words, students in such a class may build more malleable beliefs. In sum, instructors should first consider the kind of implicit beliefs they hope to instill in their students and then determine whether the structures they set in their classrooms promote these beliefs.

**RESEARCH AGENDA**

Our analysis of the role of implicit negotiation beliefs in intrateam negotiation has been based heavily on existing research from psychology and organizational behavior. While little research has directly examined the effects of implicit beliefs in a group or team context, we believe that research conducted at the individual and dyadic levels has clear and compelling implications for team-level negotiation. However, other questions remain for team negotiation that cannot be adequately addressed with existing research. Thus, in this section, we briefly outline several areas that will benefit greatly from increased theoretical and empirical development.

*Changing for the Worse*

Fundamentally, malleable implicit beliefs describe the idea that people can change their most basic characteristics either for the better or for the worse (Dweck, 1996). Most organizational research, however, has focused only on beliefs regarding positive change – that is, whether people can *improve* over time (Kray & Haselhuhn, 2007; Heslin et al., 2005). Future research should more carefully examine the belief that negative change is possible, and the implications of holding this belief for negotiators’ goals and performance. Elliot (1999) noted that while learning achievement goals typically involve growth and improvement over time, other learning goals focus on ensuring that competence is maintained and not lost over time. These goals may be particularly salient for some groups, such as the elderly, who are concerned that their competence in particular areas may be lost. While empirical evidence linking implicit beliefs to these “mastery-avoidance goals” (Elliot, 1999) is scarce, there appears to be a logical relationship between the belief that people can change for the worse and the adoption of this type of goal.
These beliefs and goals could have important implications for group negotiation. For example, previous research has established that individuals who strive to gain competence exert relatively high effort at the bargaining table. Given that “losses loom larger than gains” (Kahneman & Tversky, 1979), we might expect that negotiators who are concerned about losing competence may be even more motivated to get the most out of the negotiation. Mastery-avoidance goals could negatively impact a team’s performance as well. For instance, teams composed of individuals holding mastery-avoidance goals may face challenges in leadership and delegation as many group members may wish to take on major roles in the negotiation to “brush up” on negotiation skills to ensure that they are not lost. Future research should carefully examine the costs and benefits of mastery-avoidance goals in a group negotiation context.

Distinguishing among Performance Goals

In addition to different learning goals, recent work on achievement goals has identified different categories of performance goals as well. In particular, Grant and Dweck (2003) identified three types of performance goals: Ability-linked goals concern the validation of competence or ability in a particular domain and are most closely related to the general performance goal considered previously in this chapter. Normative goals involve social comparison such that one is motivated to do better than, or no worse than, others on a particular task. Finally, outcome goals are concerned with achieving a specific outcome (e.g., getting good grades). Importantly, the type of performance goal being pursued has significant implications for motivation and behavior. For instance, while the failure to reach an ability-linked performance goal results in reduced effort and motivation, the failure to reach a normative performance goal is not associated with a similar decrease in motivation. These differences highlight the importance of indentifying the specific goals pursued by negotiators. Perhaps a negotiator who is concerned about validating her negotiation ability will reduce effort if this ability is threatened, while a negotiator who is concerned about simply outperforming her counterparty will remain motivated to succeed, even when the going gets tough.

Currently, researchers have examined the general link between implicit beliefs and achievement goals, but have not yet examined how implicit beliefs relate to the specific performance goals individuals pursue. With regard to implicit negotiation beliefs, we have focused primarily on beliefs
regarding the fixedness of negotiation ability; thus, it is likely that the existing measures and manipulations of implicit negotiation beliefs relate most closely to negotiators’ adoption of ability-linked performance goals. Future research should more systematically assess the links between implicit negotiation beliefs and the various performance goals and should explore how different performance goals affect negotiation processes and outcomes.

Aggregating Implicit Beliefs to the Team Level

In this chapter, we have focused on how individuals’ implicit beliefs affect team-level process. Another important consideration, particularly for researchers interested in intergroup negotiation, is how individuals’ implicit negotiation beliefs may aggregate to the group level. Is it possible for teams to be categorized as having either fixed or malleable beliefs and, if so, what are the sources of these team-level perceptions?

As summarized above, our own research has demonstrated that dyadic implicit beliefs, calculated as the sum of the two negotiators’ beliefs, predicted integrative negotiation outcomes (Kray & Haselhuhn, 2007). Why might this be the case? One possibility is that when negotiators who individually hold moderately malleable implicit beliefs negotiate with one another, their combined commitment to the negotiation process allows them to collectively attain better results. Another possibility is that as long as one negotiator in a dyad has very malleable beliefs, their perseverance and commitment to the negotiation process will prolong the negotiation and encourage the other negotiator to maintain their involvement (cf. Thompson, 1991). Both processes could affect team-level implicit beliefs as well. The sum of individual negotiators’ implicit beliefs within a team may predict the overall effort and perseverance of the group. At the same time, team-level implicit beliefs may be particularly dependent on the beliefs of key members of the group; for instance, team leaders who guide group policy and procedure may shape the group’s orientation through the team’s policies and procedures.

A final possibility is that organizational-level factors may affect teams’ implicit beliefs. Organizations can propagate either a fixed or a malleable belief mindset, and organizational members adapt their judgments and behaviors to fit the perceived values of the organization (Murphy & Dweck, 2010). Thus, negotiation teams who believe that they will be evaluated and rewarded by their organization solely based on their negotiation performance may adopt more fixed beliefs and the concurrent performance goals.
Conversely, teams who believe that their organization values growth and improvement over time may adopt more malleable beliefs and the associated learning goals. As noted above, organizational incentive structures may be primary sources of team-level implicit beliefs.

CONCLUSION

In this chapter, we discussed the theoretical and practical considerations of implicit beliefs within negotiation teams. We began by summarizing implicit belief research conducted at the individual and dyadic level and described how implicit beliefs are closely related to goal setting and motivation. We next applied this research to the team level and explored how the implicit beliefs of individual team members may affect intragroup conflict and communication. We then discussed the practical considerations of how this knowledge might be usefully applied by teams hoping to optimize team processes and negotiation outcomes. We concluded with a discussion of fruitful directions for future research on implicit beliefs in team negotiation.

REFERENCES


