Glossary

affirmation bias Our tendency to agree with one another, to go along to get along. You know what I mean, right?

anchoring Our tendency to give undue weight to some salient fact. We tend to adjust insufficiently from our anchors.

aspiration point Your goal, the best outcome you can reasonably expect.

availability heuristic The tendency to confuse what is most available in our memory with what is most common in the real world.

base rate The background condition. The situation that existed before the event of interest.

BATNA Best Alternative To a Negotiated Agreement. The best outcome you can get if the present negotiation fails.

biased punctuation of conflict The tendency to see our attacks on our opponents as retaliatory and our opponent's attacks on us as unprovoked.

Boulwarism Best offer first, with refusal to make any concessions thereafter.

cognitive load The mental horsepower required to complete a task.

confirmation bias — The tendency to overweight evidence that supports what we already believe and to underweight or ignore evidence that doesn't.

diagnosis momentum

consecutive unreciprocated concessions — Making two bargaining moves without an intervening move by your opponent. Bargaining against yourself.

conversational style — Those features of spoken language that are not intended to convey meaning: the length of pauses between speakers or the presence or absence of listening noises, for example.

cooperate — In game theory, to make the move that is likely to generate the most mutual gain.

counterfactual — An event that might have happened but conspicuously did not. A "what if."

defect (verb) — In game theory, to make the (uncooperative) move that is likely to generate the most individual gain.

dollar auction — A demonstration exercise in which a dollar bill is auctioned off to the highest bidder. Used to demonstrate irrational escalation of commitment, among other things.

Effective Negotiator ("EN") — An imaginary model negotiator.

endowment effect — The tendency to overvalue things that are *mine*.

expected value — The mathematical calculation of the odds times the payoff. A 50/50 chance of gaining a dollar has an expected value of 50 cents.

extremeness aversion — Our tendency to avoid the far ends of things.

fixed-pie perception — The mistaken sense that my opponent wants all and only the same things I do, and therefore that our negotiation is purely distributive.

framing effect — Frames are points of view, perspectives, approaches. Decision makers tend to change their mind with regard to risk tolerance depending on whether they are in a gain frame or a loss frame. Bill Ury says, "To change the game, change the frame."

fundamental attribution error — Attributing a different and usually more admirable cause to my own (or my reference group's) behavior than to someone else's behavior. I was rude because I had a headache. You were rude because you're a jerk.

game theory — The mathematical modeling of competition, cooperation, and strategic interaction.

groupthink — A disease of decision making in groups. The tendency of certain groups to converge in their thinking, often on bad decisions.

halo effect — The tendency, once we have determined that someone has some positive quality, to believe he or she has other positive qualities as well.

hindsight bias — The tendency to be "insufficiently surprised." We tend, after the fact, to believe we knew it all along or that we would have seen it coming.

"You acted unwisely," I cried, "as you see
By the outcome." He calmly eyed me:
"When choosing the course of my action,"

said he, I had not the outcome to guide me."
– Ambrose Bierce

Homo economicus Economic man. The rational actor who will always act to maximize his individual economic benefit.

illusion of control The belief that we control events that we do not, in fact, control.

indifference point The price at which I don't care which side of a transaction I am on.

irrational escalation of commitment Continuing to put resources into a project after it stops making economic sense. Throwing good money after bad.

iterated prisoner's dilemma A prisoner's dilemma game played multiple times.

Lake Wobegon effect The almost universally held belief that we as individuals are above average.

leak An inadvertent release of information. They come in two varieties: verbal and non-verbal.

loss aversion Our tendency to give undue weight to losses. Losses loom larger than gains.

mental accounting The tendency to treat our money as if it were not fungible, as if some money should be budgeted differently than other money.

mirror and match An active listening technique in which the listener attempts to exert influence on the speaker by matching his tone, posture, and conversational style.

mutual-gains bargaining Negotiation with the goal of maximizing gains for both parties.

negotiation style An individual's overall approach to negotiation. One familiar classification of styles divides negotiators into avoiders, accommodators, compromisers, competitors, and problem solvers.

nice In game theory, a strategy is nice if it is never the first to defect.

order effect A change in choice depending on the order in which alternatives are presented.

Pareto-optimal A solution in which all the available value has been distributed and nothing is left on the table. A measure of efficiency, not fairness.

Pareto-optimal frontier The range of solutions along which neither party can do better without the other party doing worse.

partisan perception Our tendency to see the world in a way that is favorable to ourselves or people we like.

peak-end rule The tendency, when assessing the overall quality of an experience, to give excess weight to the most extreme part of the experience (the peak) and the chronologically last part (the end).

plan of concessions A map of your opening offer and the expected stages of bargaining to follow.

position effect A change in choice depending on the relative physical position of the alternatives.

possibility effect The tendency to overweight the increment that makes an event possible compared to any equivalent increment that makes the same event more or less probable. Buying one lottery ticket if we have none seems to add greater value than buying one more if we already have 20.

post-settlement settlement — Continuing to bargain after we have reached an agreement. The idea is that we can now reach tradeoffs that we couldn't reach before.

preference reversal — The puzzling fact that we will sometimes choose A over B and sometimes choose B over A, purely as a function of how the choice is framed.

priming — The activation of a schema (a family of thoughts or feelings) by an idea or event.

Prisoner's Dilemma — The classic game theory setup: Both parties will do better if they both cooperate than if they both defect, but each party will do even better if he defects and his opponent cooperates.

prominent solutions — Round numbers and other settlement points to which negotiators are strongly drawn.

prospective hindsight — A technique that uses the hindsight bias to improve decision making rather than harm it.

provocable — In game theory, a strategy that will defect in response to some move or moves by the opponent.

pseudocertainty effect — The *certainty* effect is the tendency to give more weight to the increment that makes an event certain than we give to any similar increment elsewhere in the range. The *pseudocertainty* effect is the same thing, only the overweighted increment only *seems* to make the event certain.

rapport building — Words and actions used by negotiators to gain trust.

rational actor model — The assumption, in classical economics and game theory, that participants will perceive things objectively and pursue self-interest rationally.

reactive devaluation — The tendency to undervalue or reject a negotiation proposal, irrespective of its merits, because it is perceived to come from the enemy.

regret aversion — The tendency to avoid what we sense may increase the risk of regret. Given two choices with equal risk of loss, we will prefer the one that allows us to put the blame for any loss on something or someone other than ourselves.

rejection then retreat — Making a large request, having that request rejected, and then making a smaller request. Combines the psychological principle of the contrast effect with the reciprocity norm to increase the likelihood of compliance with the smaller request. 0

representativeness fallacy — The mistake of supposing that every member of a class will have the stereotypical features of class membership regardless of the base rate.

reservation point — The point at which a negotiator will walk away.

schema — A family of associated thoughts or feelings.

schmooze — Yiddish. Untranslatable, but "chat up" comes close.

self-serving bias — Our tendency to see ourselves in a flattering light.

similarity-attraction effect	Our tendency to enjoy the company of people who are, or appear to be, similar to us.
social proof	In informal logic, *argumentum ad populum*, the appeal to the people. In social psychology, the belief that the right thing to do is the thing that other people are doing.
status quo bias	Our tendency to favor the existing state of affairs.
sucker's payoff	In a prisoner's dilemma game, the score that goes to a cooperator (the sucker) when his opponent defects.
sunk cost fallacy	The tendency to allow past costs to influence future decisions.
System 1	The unconscious, emotional, immediate, intuitive part of our mind, associated with the limbic system.
System 2	The conscious, logical part of our mind, associated with the cortical areas.
theory of mind	The idea that others have thoughts and mental experiences different from our own.
timing effects	A change in choice depending on the alternatives' relative position in time.
Tit for Tat ("TFT")	A winning strategy for the iterated prisoner's dilemma game. TFT cooperates on the first move and, on every subsequent move, does what its opponent did on the previous move.
transformative mediation	The form of mediation most focused on the personal growth of the parties rather than the resolution of a particular dispute.

winner's curse	The sinking feeling we get when our negotiation goal is achieved too easily.
zero-sum	A game in which every gain by one player means an equivalent loss by the other. A transaction that is distributive only.
zone of possible agreement ("ZOPA")	The area in which any settlement must take place. The area where parties' bargaining zones overlap.