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## Mindfully Managing Emotions and Resolving Paradoxes in the Context of Negotiations

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Negotiators striving for excellence, whether in business, politics, or family interactions, need to take into account the emotional dynamics they frequently witness and experience as they navigate complex interdependent agreements. This is not always easy as negotiations are challenging social interactions that require strategic analysis of resources being exchanged, sophisticated communication processes between people, and mindful personal engagement.

In this chapter, we focus specifically on the internal landscape of the negotiator. Emotions are often central and play a critical role in the negotiation process. Research has demonstrated that emotions can be used as a strategy that impacts financial and relationship outcomes (Kopelman *et al.*, 2006; Kopelman and

Rosette, 2008) and it also provides important social information (van Kleef, 2009). We suggest that emotion management through a process called *self-narration* (Kopelman *et al.*, 2012; Kopelman *et al.*, 2009) is also key to transcending paradoxes, which is critical to achieving extraordinary positive results. Integrating a positive organizational scholarship (POS) lens (Cameron *et al.*, 2003; Cameron and Spreitzer, 2012), we illustrate how mindful emotion management enables excellence.

A positive approach to negotiations, *Negotiating Genuinely* (Kopelman 2014) suggests that negotiations are not only role-based economic exchange opportunities (where financial and social resources are negotiated), but also holistic person-to-person interactions. A positive person-centered, relational approach to negotiations assumes that a negotiator engages beyond the defined social role (e.g., buyer, diplomat, and mother) as a genuine integrated person. This holistic understanding provides increased capacity to identify sustainable value creation opportunities and enhances personal and organizational well-being (Kopelman *et al.*, 2012; Kopelman, 2014). We suggest that key to such positive engagement is that it enables negotiators to manage the emotional underpinnings of the paradoxes inherent to negotiations.

### Paradoxes in Negotiations

Inherent in the negotiation process is the experience of paradoxes. Most commonly recognized and discussed is the mixed-motive nature of negotiations, given that they are at once both a cooperative and competitive social interaction (Pruitt and Rubin, 1986; Lax and Sebenius, 1986; Raiffa, 1982). That is, while the resources being negotiated can potentially be increased through cooperative win-win strategies, these resources end up being divided competitively. The challenge to negotiators is to recognize that it is not the case that some negotiations are cooperative and other competitive, nor that in a particular negotiation one first cooperates to create value and then competes to claim

value. Sophisticated negotiators understand that resources can be synergistically integrated to create value and increase joint gains, and that once a distinct trade-off or compatible issue is determined and linked to price the pie of resources grows, yet is defined by a distinct distribution. Paradoxically negotiators must be simultaneously both competitive and cooperative. Great negotiators function within this tension.

Beyond the need to be simultaneously cooperating and competing, negotiation processes are fraught with paradoxes in which negotiators simultaneously experience seemingly opposite realities. For example, to succeed in negotiations requires both disciplined strategic preparation and the ability to be spontaneous in the moment. In fact, success may pivot around the ability to intentionally pursue goals, while simultaneously and paradoxically being detached from this pursuit and open to redirection and opportunities that arise. Furthermore, to be effective during a negotiation requires leadership, but paradoxically also following the lead of others. And in this sense there is also a paradoxical notion to power in negotiations, given that having power sometimes means yielding power.

Developing a deeper understanding of paradoxes inherent to negotiations is critical to the pursuit of excellence. What is a paradox? Paradoxes have two unique features: (a) a contradiction; and (b) two incompatible yet equally valid or necessary outcomes to a problem. Resolving a paradox opens the possibility of arriving at a novel and creative solution by invoking a transcending meta-level perspective to resolve the apparent contradiction. Transcending a paradox with equanimity potentially yields novel and creative solutions and co-creation of value in negotiations. A balanced approach is necessary to effectively resolve a paradox.

No matter what paradox presents itself to a negotiator, there are two practical steps that will enable a negotiator to transcend the paradox and achieve excellence. First, a negotiator needs to recognize paradox by understanding that one must simultaneously pursue competing and seemingly contradictory demands. Second, a negotiator needs to handle the emotional correlates of

the paradox. For example, cooperation and competition may elicit very different emotions and a negotiator needs to be comfortable with the co-existence of what appear to be conflicting emotions.

### Recognizing Paradox

Recognizing a paradox is a complex process. One's ability to recognize a paradox is shaped by three factors: (a) expertise; (b) context of a paradox; and (c) culture (Mahalingam and Johnson, 2003).

#### Expertise

Having expertise in the domain of negotiation is one of the key determinants of one's ability to recognize a paradox. In fact, part of what makes someone an expert negotiator is the ability to recognize and manage the paradoxes that lie at the heart of the negotiation process. Experts have a top-down understanding of a problem, which enables them to see a problem holistically, and thus, recognize the apparent contradiction in a paradox and use it to arrive at novel and creative solutions. By recognizing a paradox, experts can see the negotiation in a new light and develop a deeper understanding of the problem including the emotional dynamics of all parties involved. For instance, negotiation of a merger elicits both feelings of excitement for growth and feelings of fear and anxiety over loss of jobs.

This duality of coexisting tensions creates an edge of chaos, not a bland halfway point between one extreme and the other. The management of this duality hinges on exploring the tension in a creative way that captures both extremes, thereby capitalizing on the inherent pluralism within the duality (Eisenhardt, 2000, p. 703).

Excellence in negotiation of a merger requires the ability to see the apparent contradiction in the negotiation of a merger to come up with a creative solution that takes advantages of the new opportunities for growth for the firm, and not only pays lip service to assuage the fear of losing jobs in the merger, but to identify opportunities for retaining employees. It does not have to be one or the other. Having such expertise in negotiation helps a negotiator to creatively fuse both extremes (excitement and fear) and recognize the multitude of opportunities within the binaries (the good of the firm and the good of the employees) that often emotionally polarize the process of negotiation.

#### Context

The content domain of a negotiation also plays a role in shaping one's ability to recognize paradox. What might appear as a paradox in one context may not appear as a paradox in another context. An equally valid and incompatible outcome in one domain may not appear to be paradoxical in another domain. For example, a negotiation in a religious institution, which may view certain outcomes as theologically incompatible (e.g., medical professionals' right to deny reproductive health services on grounds of religious beliefs), however in a different domain such outcomes may not be seen as a paradox (e.g., Union contract about workers' rights to have reproductive health benefits). Awareness of the context or domain of a negotiation shapes one's ability to recognize a paradox.

#### Culture

A negotiator's ability to recognize a paradox is also influenced by culture. What is considered as a paradox in one culture may not be a paradox in another culture. Nisbett (2004) has contrasted two intellectual traditions: analytical versus holistic. Western cultural traditions are analytical traditions where logical and deductive reasoning devoid of context is the dominant mode of thinking. By contrast, East Asian holistic traditions emphasize holistic, induc-

tive and context dependent mode of thinking. In analytical traditions, contradictions cannot coexist and the threshold to consider what constitutes a paradox may be much lower than in holistic traditions because contradictions can coexist in holistic traditions. So negotiation in a Western culture requires different sensitivity to paradox than a negotiation in an East Asian context. By extension, we postulate that in a negotiation that involves people from different cultures, the negotiator has to be sensitive to the cultural differences in the perceptions of paradox because cultures play a socializing role in one's ability to see a paradox. In an increasingly globalized world where cross-cultural and multicultural negotiations have become more common, recognizing the differing thresholds to recognize a paradox is critical for a successful negotiation across various cultural traditions.

### Resolving Paradoxes

Recognition of paradoxes is a critical step for the successful transcendence of paradoxes. Transcending a paradox involves recognition of contradictions which has multiple functions: (a) to recognize opportunities; (b) to discover meta-level assumptions including shift in perspectives; (c) to find a new way of thinking about the problem (Poole and Van de Ven, 1989). Various discursive strategies are used to resolve a paradox. Poole and Van de Ven identified four different modes of resolving a paradox: (a) accept the paradox; (b) clarify the levels of analyses; (c) introduce time or temporarily separate two levels; or (d) contextualize or reframe using new terms to resolve a paradox.

These four modes of resolving a paradox require emotional balance and mindful negotiation skills to handle the paradoxical tensions and to manage the reinforcing cycles that are present in any negotiation (Lewis, 2000; Kopelman *et al.*, 2012). According to Lewis (2000), paradoxical tensions are perceptual and they mask the simultaneous existence of conflicting truths. The dynamics of the paradoxes, if not properly recognized and resolved could have devastating consequences. In the absence of mindful awareness of paradox, seemingly polarized positions are in danger of becoming

“real” tensions and negotiators “may be trapped within reinforcing cycles that perpetuate and exaggerate tensions” (Lewis, 2000, p. 763).

Imagine the case of Josh, a Vice President of sales, who in his executive MBA program particularly excelled in the negotiation course. Among many evidence-based strategies, introduced through action-based learning in this negotiation course, was the concept of psychological anchoring and the advantage of making the first offer on price (e.g., Bazerman and Neale, 1992; Lewicki *et al.*, 2009; Raiffa, 1982; Thompson, 2012). Josh used to believe that it is better to “wait and see” what the other negotiator was willing to pay, in order to learn more about the other party. He was astounded by the laboratory and field data suggesting that even experts are then likely to make an adjustment in price and end up with a worse economic outcome than had they made the first offer. Josh practiced the strategy in the safe environment of the negotiation simulations at business school and became comfortable making first offers. The class data, despite the fact that all members of the course were taught about anchoring, continuously demonstrated that even people who are aware of this anchoring bias seem to still make an adjustment, and thus making the first offer pays off. Josh was convinced, not only by the research and his successful mock negotiations, but he started to implement the first offer anchoring strategy at work and became a convert.

Next, Josh decided to share this knowledge with his team and develop a first offer anchoring expertise among his sales people. This is where things became sticky. As much as he shared written articles and book chapters on the topic, as well as his experience, every time he debriefed a negotiation with his team, the majority of sales people came back with a complex explanation of why in this specific situation it made sense to “wait and see,” rather than make the first offer on price. Occasionally a salesperson came back reporting that they made the first offer, but they also came back less satisfied with the negotiation outcome. It seemed like the more he educated his team about anchoring, the less frequently they actually made first offers. Josh was dismayed.

It turns out, quite paradoxically, that while negotiators in a distributive negotiation who make the first offer achieve better financial results, they do indeed feel less satisfied with the negotiation process and outcomes (Rosette *et al.*, 2013). Although he did not explicitly recognize this as a paradox, Josh intuitively understood the contradiction that his team was experiencing. First, traditionally negotiators are advised to leverage the first offer only when they have good information. But given that his sales people would never have full information, they never felt confident enough to make the first offer and therefore came back with complex explanations about why this strategy was not appropriate. Second, his sales people were aware of Josh's strong beliefs about teaching them this new and powerful strategy, and thus, most of them tried to implement it at least once. But it turns out that trying it, paradoxically made them less inclined to adopt it in the long term, because they could *not* see the relative economic benchmark in an idiosyncratic sale, and yet they did experience relative dissatisfaction. Interestingly, neither understanding this paradox, nor explaining it to his team was sufficient to instigate change. Josh and his team also needed to understand the emotional underpinnings of this paradoxical effect.

### Narrating the Emotional Correlates of Paradox

A key feature of paradoxes is that contradicting ideas may lead to contradicting emotions. When people think about competition, a very different set of emotions is triggered than when they think about cooperation. And yet, if negotiations are about transcending the cooperative-competitive paradox to a meta-level of simultaneous cooperation *and* competition how might that feel? And could a negotiator transcend the paradox without managing the emotional underpinnings of a particular paradox? We suggest that mindful emotion management (Kopelman *et al.*, 2008; Kopelman *et al.*, 2009; Kopelman *et al.*, 2012; Potworowski and Kopelman, 2008) is key to successfully resolving paradox.

To manage emotions in the context of negotiations, suggests that people can regulate (suppress) emotions they believe do not serve them in a given negotiation (e.g., anxiety about making the first offer on price) or intensify emotions they perceive as beneficial (e.g., happiness about developing a long-term sustainable and synergistic contract with a supplier). Although emotion management is perpetually challenging, there are steps a negotiator can take to manage emotions in real time.

Kopelman and colleagues (Kopelman *et al.*, 2009; Kopelman *et al.*, 2012) have defined a process called *self-narration* that enables negotiators to mindfully and strategically manage emotions. To manage emotions requires first a scientific understanding of emotions. There are many theories of emotions, but in general there are three critical phases in how people go from attending social stimuli to experiencing an emotional response with all its psychological and physiological dimensions (Gross and Thompson, 2007): (1) basic perception of the stimuli that generated the emotion (e.g., hearing the negotiator offer \$10 for your favorite used book); (2) cognitive appraisal or interpretation of this data (e.g., interpreting this as a low opening offer); and (3) an onset of physiological experiences (e.g., feeling frustrated or angry).

To effectively manage emotions as they naturally arise, it is possible to strategically intervene at each or any of these phases. A negotiator can notice different stimuli (e.g., the other negotiator also pointed at the hardcover that is falling apart), reinterpret the given stimuli (e.g., \$10 might actually be reasonable given the current market), or try to mitigate the physiological response (e.g., take a deep breath to avoid the onset of anger as you sense your heart rate increase). The process of self-narration suggests that negotiators can regulate or intensify their emotions by mindfully redirecting attention, reinterpreting information, and/or reconfiguring physiological responses. Self-narration (Kopelman *et al.*, 2009; Kopelman *et al.*, 2012) draws on the metaphor of story and the power of the narrator to change the course of an emotional dynamic.

Let us go back to the example of Josh and see how self-narration might enable his team to adopt a financially beneficial strategy of making the first offer on price. It turns out that the research by Rosette, Kopelman, and Abbott (2013) demonstrating that making the first offer leads to relatively lower satisfaction, also identifies that it is anxiety about being vulnerable that sours satisfaction with the negotiation process and outcomes. So while Josh's sales people are competitive folks who thrive and experience power and excitement about closing what they perceive to be good deals, they may actually simultaneously experience anxiety about making the first offer. Given that negotiators feel satisfied when they do not make the first offer, to transcend the paradox of making the first offer requires mitigating the anxiety about making the first offer. But you cannot just tell your sales people: "do not feel anxious, this is an evidence-based proven strategy." Josh's team might need to come up with objective-appearing rationales for that price (Fisher and Ury, 1981), practice making first offers in a safe learning environment, and repeat the first offer price (the actual number) multiple times until they feel more comfortable with it. These are all likely to help, but may not be sufficient, because in the moment, during the negotiation, anxiety is still likely to surface. That is when self-narration can help these negotiators to mindfully and strategically manage their anxiety in the moment. To manage this anxiety about making the first offer, negotiators can iteratively engage in the three steps of self-narration (see Table 1).

Thus, engaging in a process of self-narration changes the emotion experienced by the salesperson, significantly reducing the anxiety about making the first offer, which leads her not only to secure a better price, but also to feel relatively satisfied. In fact, there might even be a boost in satisfaction not just from mitigating the experienced anxiety, but also a sense of accomplishment of having successfully tackling it through mindful self-narration. Self-narration is a mindfulness-based process that can be learned through disciplined practice and

Table 1.

Self-Narration Step	Example in Context of Anxiety over Making the First Offer
I. Mindfully Notice Emotionally Incongruent Stimuli in the Environment	The salesperson explicitly points her attention to the window several seconds before making the first offer, taking in the sight of the airport runway.
II. Mindfully Re-interpret Emotional Stimuli	The salesperson thinks to herself, that anxiety about flying is much more disturbing than anxiety about naming her well-researched opening ask.
III. Mindfully Modify Physiological Reaction to Emotional Stimuli	Despite the above two steps, the salesperson may still feel her fingers fidgeting on the table as she prepares to make her opening bid, and changes this sensation by boldly picking up a marker and walking up to the white board to write down the anticipated savings the client will enjoy by transitioning to her as a supplier (savings that would well justify the price she notes as part of her synergistic pitch).

key to self-narration is mindfully pursuing equanimity during negotiations.

### Equanimity Enhances Emotion-Narration

Equanimity refers to one's ability to be balanced while experiencing a stream of emotions (both positive and negative). Poise — the ability to be grounded while presenting and witnessing an emotional narration (Kopelman *et al.*, 2009; Kopelman *et al.*, 2012) — is identified as one of the key qualities of a mindful leader and negotiator (Carroll, 2007). To acquire poise one has to be equanimous in handling paradoxical tensions and the emotional dynamics in the reinforcing cycles. Equanimity does not

refer to a skill like walking a tightrope or being objective. Rather, it refers to one's ability to experience the emotional core of self-narration in order to discover that larger possibilities reside in the tensions in the paradoxes. Equanimity, the core of handling emotions with an open-mindedness and an awareness of the present, is a key characteristics of a mindful negotiator.

An equanimous negotiator recognizes that self-narration is a reflective process (Kopelman *et al.*, 2009) and the emotional core of self-narration involves cognitive reappraisal of the paradox. Equanimity facilitates emotional management by augmenting the negotiator's ability to develop a meta-level understanding of the paradox contributing to productive cognitive appraisal, emotional regulation, and positive regard. In a dyadic context of negotiation, equanimity will generate a "co-created self-narrative, which is characterized as positive person-to-person mindful and strategic interaction (Kopelman *et al.*, 2012, p. 596)." By contrast, negotiation without equanimity is guided by an emotional mind that "suppresses cognitions, reasoning, and logical thinking; distorts perceptions to make them fit with current affect; and makes behaviors congruent with the current emotional state (Kopelman *et al.*, 2012, p. 595)." Such an emotional mind will not be able to recognize and resolve a paradox and be open to a self-narrative with positive regard. It will augment the reinforcing cycles in the negative dynamics of a paradox (Lewis, 2000). Equanimity enables a negotiator to accept the emotional underpinning of paradoxical tensions and transcend them toward positive outcomes.

### Summary

Excellence in negotiation requires a skillful management of emotions with equanimity. Negotiations entail and evoke paradoxical goals, outcomes, and emotions. There are four effective modes of resolving a paradox (Poole and Van de Ven, 1989): (a) accept the paradox; (b) clarify the levels of analyses; (c) introduce time or temporarily separate two levels; or (d) contextualize or reframe

using new terms to resolve a paradox. Self-narration (Kopelman *et al.*, 2009; Kopelman *et al.*, 2012; Kopelman, 2014) plays a vital role in emotional management of paradoxes in any negotiation, by providing a subjective and contextual lens to understand the conflicting emotions and cognitions of those in a negotiation process. Successful recognition and resolution of paradoxes in negotiation will result in innovative and satisfying solutions to complex negotiation processes. It will enable people to negotiate genuinely (Kopelman, 2014). Negotiators need to cultivate an ability to recognize and resolve paradoxes with equanimity augmented by mindful emotion management to successfully traverse the terrain of negotiation.