Problems in Negotiation Gambit Research and Practice

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This paper provides a review of the relevant literature pertaining to the use of gambits (tactics) in negotiations. The review reveals some problems in the literature as discussed within the framework of Goldstein’s model of selection, implementation, evaluation, and feedback. Key problems in the gambit literature include the lack of empirical research on the choice of gambits and the difficulty of measurement of the effectiveness of gambits due to multivariate problems. Implications for future research follow.

A gambit is a chess term referring to the moves used to gain an advantage (Dawson, 1987). In negotiations, gambits refer to the specific tactics that help achieve negotiation objectives. For example, some gambits include the compromise, walking away from negotiations, trading off, setting aside hard issues first, accepting the first offer, automatically rejecting the first offer, and acting kind while not giving an inch. Another gambit may be a “flinch,” which is a strong negative physical reaction to a proposal by the opponent that is implemented with the intent to obtain a more favorable outcome from the other party.

Negotiators have many of gambits at their disposal. They may implement many of them or only a few in order to achieve their negotiation objectives. Negotiators have to decide what gambits are most likely to result in the most favorable outcomes in a given negotiation situation.

Purpose

Unfortunately, existing research is not clear why certain gambits should be used in certain negotiation situations. Furthermore, research is not clear how to evaluate if a gambit or set of gambits that have been used achieved negotiation objectives.

According to Coburn (2010), prior to the 1980’s, many researchers focused their research on the use of specific gambits. A variety of gambits were defined and negotiators were told to choose whatever gambits they saw fit. More recent negotiation research has considered contextual variables of negotiation situations such as short-term versus long-term negotiation relationships and the search for win-win versus win-lose relationships in selecting gambits. There needs to be a greater rationale for negotiators to use various gambits in negotiations. Supposedly, if negotiators had a more systematic basis for selection of gambits in negotiations, they would be more successful in achieving their objectives.

Accordingly, this study describes how existing research has grown in analyzing gambits and continues to be deficient in describing what gambits to use when and how to evaluate gambits. It also will provide suggestions for future research to begin to tackle difficult problems for researchers and practitioners.

Figure 1: Gambit Model

| Gambit Assessment Phase → → → Gambit Use Phase → → → Gambit Evaluation Phase → → |
|-----------------------------------|---------------------|-------------------|
| Conduct a negotiation needs assessment | Identify appropriate gambits | Evaluate degree to which negotiation objectives are met |
| Set negotiation objectives | Negotiate using these gambits | Evaluate degree to which gambits met negotiation objectives |
| ↑ | ↑ | ↑ |
| ↑ | ↑ | ↑ |
| ✈ | ✈ | ✈ |

Feedback Loop → → → Keep records of negotiations and gambits used for future retrieval

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Framework for the Literature Review

To help describe the strengths and deficiencies in the literature, this study provides a framework for the literature review through an adaptation of Goldstein’s Training Model (Goldstein, 1993). The adaptation is shown in Figure 1 above. In the Gambit Assessment Phase, a negotiation needs assessment is followed by the setting of negotiation objectives. In the Gambit Use Phase, appropriate gambits are selected for negotiations and are used. In the Evaluation Phase, overall negotiation objectives and individual gambits are evaluated. The Feedback Loop involves keeping records of negotiations and gambits used for future retrieval in later negotiations.

The model has several characteristics. First, it is simple and contains only four steps. Second, some variation of it can be found in chapters on training in human resource management texts (i.e., Dessler, 2011, Mathis and Jackson, 2011) and research articles on health and other areas (i.e., Wang, et. al., 2008). Third, the model has been used in some form in a variety of training programs (Mathis and Jackson, 2011).

Related models in the literature include the ADDIE model that involves analysis, design, development, implementation, and evaluation of training methods (Learning-theories.com, 2010). Prominent other instructional system development (ISD) methodologies similar to Goldstein (1993) include Gagné and Briggs (1974), and Mager (1962), Context, Input, Process, Product (CIPP) Model (Worthen and Sanders, 1987); Training Validation System (TVS) Approach (Fitz-Enz, 1994); and Input, Process, Output, Outcome (IPO) Model (Bushnell, 1990).

For the purposes of this study, the model is useful as a structure for discussion of the literature review in negotiation gambits. Based on the literature review, a more detailed analysis of what is needed in future gambit research is discussed.

LITERATURE REVIEW

Gambit Assessment Phase

The negotiation process begins with the gambit assessment phase. Negotiators assess the need for negotiations and setting negotiation objectives. The need for negotiations might be established in required talks at the end of a contract, formal grievances, or other dispute situations between parties. Negotiations might not be needed where initial proposals are considered acceptable. According to Robbins and Judge (2011), negotiators should set a target point that is the ultimate realistic goal. A resistance point might also be set that is the point in which the negotiator would not compromise any further. Ideal objectives should be specific, measurable, achievable, realistic, and timely using the SMART acronym (learnmarketing.net, 2011).

Gambit Selection and Use Phase

In the gambit selection and use phase, a negotiator would select gambits and then actually use them when negotiating. The Goldstein model allows for a wide variety of considerations in selecting appropriate gambits in this case. Gambits could be selected based on the type of negotiation, knowledge of the other party’s negotiation approaches, the time frame of negotiations, the importance of the outcomes, negotiators’ experiences, the history of negotiations with the other party, possible future negotiations with the other party, the influence of constituents (i.e., higher management, unions, customers, employees, vendors), and time and cost constraints. Once the considerations have been made, the negotiator(s) would select the gambit or gambits that would be most appropriate in the beginning, middle, and end of negotiations.

Though the research literature identifies and discusses many gambits and recommends which gambits are generally the most effective, it has provided little guidance in terms of systematic ways of choosing them for a particular negotiation setting. Most of the recommendations provided in the literature merely show which gambits should generally be used during negotiations. This basically equates to the
traditional “one best way” approach to the use of gambits. Little information in the literature has examined situational variables that would impact the effectiveness of different gambits. It certainly seems reasonable that the effectiveness of different gambits would vary depending on the type of negotiations taking place. For instance, certain gambits are likely to be effective for single negotiation settings but could prove detrimental to multiple event negotiations in the future. The following three pages summarize the literature regarding gambit recommendations.

Win-Win Gambits. One group of studies recommends that negotiators focus on win-win style negotiations. This approach uses gambits with the goal to satisfy both of the parties’ needs, where both sides believe and feel they have accomplished the outcome they wanted. Win-win negotiations also are commonly referred to using a number of other terms including integrative bargaining (Walton and McKersie, 1965), both-win management (Karrass and Glasser, 1980), mutual gains enterprise (Kochan and Osterman, 1994), nonzero-sum games (Katz and Kochan, 2004), and soft positions (Fisher and Ury, 1981).

As an example, assume two sisters both want the single orange left in their family fruit basket (Robbins and Judge, 2012). The sisters could negotiate using a number of negotiation styles. They could compete, where one party forces or persuades the other to give up the orange. Alternatively, they could compromise, each getting part of what they wanted, by cutting the orange in half. Another alternative is they could use the win-win gambit (integrative bargaining), by talking things through and gaining an appreciation of the others needs and demonstrating an interest in satisfying both sides’ concerns with both getting what they want. Is this possible? It is if during their negotiations, the sisters have open and honest discussions and thus discover that one sister only wants the peels of the orange to use to make a cake, while her sister only wants the pulp and juice to make orange juice.

The win-win approach can always be use although the win-win outcome won’t always be possible. Nonetheless, when both parties in a negotiation are interested in making a fair deal and recognize that the competing approach is not likely to result in such an outcome, a satisfactory outcome for both parties is more likely to be achieved. However, the approach used will depend on a number of contextual variables.

Ethical and Unethical Gambits. Another group of studies focuses on the perceived degree of ethicalness of using different gambits. Kaupins and Johnson (2003) identified seventeen negotiation gambits and had upper-division, non-traditions students, who were enrolled in courses involving labor negotiations, rate each gambit on their ethicalness. Using a Likert-type scale where 1 = very unethical, 2 = ethical, 3 = neutral, 4 = somewhat ethical, and 5 = very unethical, none of the mean ratings for any of the negotiation gambits were in the very ethical range (4.5 or above). Only three gambits were in the range (3.50 to 4.49) that the researchers considered to be “somewhat ethical.” These gambits were hiring an expert negotiator (4.15), the reluctance of the negotiator to sign the first offer, even if satisfied with it (3.76), and asking for specifics regarding what it would take to close the deal (3.68). Eight of the seventeen gambits were rated in the “neutral” range (2.50 to 3.49), while the remaining six gambits were rated in the “somewhat unethical” range (1.50 to 2.49). Kaupins and Johnson (2003) concluded that only three gambits could be considered somewhat ethical, while eight others should be considered neutral on ethicalness. Thus 11 of the gambits could be recommended while the use of the six falling into the “somewhat unethical” group should be discouraged.

Robinson et al., (2000) analyzed the ethicalness of gambits based on the ratings of undergraduate students. These researchers factor analyzed sixteen gambits and found that the larger set of gambits could be reduced to five factor groups. The highest rated factor was labeled “traditional competitive bargaining” with a mean ethical rating of 5.50 (where 1 = not at all appropriate to 7 = very appropriate scale). The four other factors had substantially lower mean ratings for ethicalness; each averaging around approximately 3.00 and below. They included the factors labeled “attacking opponent’s network,” “false promises,” “misrepresentation,” and “inappropriate information gathering.” An example of the traditional bargaining gambit is when a negotiator makes an opening demand that is far greater than what he/she really hoped to get. A false promises gambit occurs when one party guarantees that his/her constituency will uphold the settlement agreed upon, although the party has little or no believe that that will occur. A misrepresentation gambit occurs when one party intentionally misrepresent information to her opponent.
The attacking ones opponent’s network tactic involves the attempt to embarrass or get an opponent removed from his position. Lastly, the inappropriate information gathering gambit involves efforts to illicitly gain information about an opponent’s negotiating position by paying money to, or providing gifts to “someone-in-the-know” from the other party’s camp in exchange for information.

Fallacy Gambits. Another group of studies focuses on gambits that are considered “fallacies.” Fallacies are statements that can be used in negotiations to influence the other party and therefore are gambits. The use of these negotiation gambits are discouraged because of their deceptive nature. According to Engel (1994) major categories of fallacies include ambiguity, presumption, and relevance. An example of ambiguity is a “double meaning.” A negotiator might state “I dispense with accuracy.” Does this mean he or she is always truthful or always deceptive? An example of presumption is “begging the question.” A negotiator might say “I believe in dental benefits because everybody believes in dental benefits.” Does everybody really believe in dental benefits? An example of relevance is the genetic fallacy in which a conclusion is “proved” false by considering its source. A negotiator might state that “Our workers provide lousy proposals because they don’t have a college education.” Such unsupported arguments are made despite the reality that not all workers who have only a high school education provide bad proposals.

Jacobs (1994) groups inappropriate gambits into persuasive words, fallacies, and intent signals. Persuasive words include the double-bind which gives the listener an illusory freedom of choice between only two choices. Fallacies include the false cause. For example, a negotiator may make the statement that “Workers have failed us and that is why we have layoffs.” This assertion may ignore factors outside of the workers’ control such as a poor product design, competition, shifts in demand, and a recessionary economy. Intent signals involve the intention of the speaker affecting the accuracy of the information. An example is “us” versus “them” in which everything done by the other side is considered wrong.

Information Economics. Information economics investigate how information affects an economy and economic decisions (Allen, 1990). There are several subfields in the area related to gambits. One of them is associated with signaling. In negotiations, a signal is designed to reduce or eliminate asymmetry of information between two or more parties. Negotiations can go awry if one or more parties have an imbalance in information (Spence, 1973). Accordingly, gambits related to signaling would provide greater information to the other side. An example would be the background of the negotiators (whether they had negotiation experience or not).

In another subfield called screening, the under-informed party induces the other party to reveal their information (Stiglitz, 1975). Accordingly, gambits related to screening would provide greater information about the other side. An example would be inquiring about the background about the people you are negotiating with (the amount of negotiating experience).

Decision Tree. Wall (1985) collected over a hundred negotiation tactics (gambits) and organized them into five categories: (1) irrational tactics (tactics that appear illogical such as illogical arguing and failing to consider costly opponent threats), (2) debate tactics such as structural (center upon personal relationships and the issues), joint-problem solving, and competitive, (3) aggressive tactics involving threat and coercive, (4) nonaggressive bargaining tactics such as conciliatory and reward, and (5) posturing tactics such as tough, soft, and neutral. A sixth higher order category of gambits, rational tactics, is identified by Wall (1985) and includes debate, aggressive, nonaggressive, and posturing tactics but excludes irrational tactics.

Wall (1985) developed a four stage decision tree that leads to recommended negotiation tactics based on the yes or no answers to four questions. The yes or no answers to each of the four decision tree questions will lead to different branches and therefore a different recommended gambit or gambits. Questions include: (1) Is opponent engaging in inappropriate behavior? (2) Is opponent contingently cooperative? (3) Are future negotiations important? and (4) Does your opponent have limited alternatives? (p. 78). For example, if the answer is “yes” to each of the questions and (1) an opponent is engaging in appropriate behavior, (2) is contingently cooperative, (3) future negotiations are important, and (4) the opponent has limited alternatives, the resulting decision tree branch leads one to the recommended gambit, reward. Reward gambits include tactics such as making concession, making straw
issues in order to lose them, making concessions early in negotiations, using open communications, and
conferring status upon the opponent (Wall, 1985, p. 56). At the other extreme on the decision tree, if the
answer to each of the four questions is “no”, then the resulting branches leads one to the recommendation
to use the gambits of debate and/or soft or neutral posturing (Wall, 1985, p. 56).

Other Gambit Recommendations. Many other gambits can be found in Coburn (2010), Farrington
(2010), Bisineer (2009) and at Web sites such as Negotiationtactics.net (2010) and Syque.com (2009).
These sources provide short lists of gambits with accompanying definitions of the gambits. Some of these
sources also provide discussions pertaining to the ethicalness or the effectiveness of the gambits. Coburn
(2010), in particular, discusses the ways negotiators can counter gambits that are used on them. Many
labor relations texts also have lists of recommended gambits, e.g., Sloan and Witney (2004); Holley,
Jennings, and Wolters (2008); Carrell and Heavrin (2010). Some popular books including recommended

Negotiators also can consider using gambits they have used during previous negotiations - whether
bargaining with a salesperson for a car, with a boss for a pay raise, with a spouse for a family budget, or a
teen age child about his or her curfew. Negotiations abound, and so do the use of gambits. Each contact
can provide examples of good or poor negotiations that the negotiators might remember and be able to
retrieve on demand.

Another source for negotiation gambits are professional negotiators, mediators, fact finders, and
arbitrators. They can provide specific strategies that have worked for them in organizations such as the
American Arbitration Association, National Academy of Arbitrators, Industrial Relations Research
classes such as labor relations (Businessschools.com, 2009), sales, law enforcement, real estate and other
professions (Wisegeek.com, 2010) can list some gambits that have worked.

Gambit Evaluation Phase

After negotiations are completed, the evaluation phase involves having negotiators evaluate how well
they have achieved their negotiation objectives and how well the gambits have contributed to their
negotiation objectives. Here are some aspects of the gambits that need to be evaluated:

1. Did the opponent react negatively or not at all with one of the gambits?
2. Did a gambit or combination of gambits lead to breaking a negotiation logjam and leading
   negotiations in a positive direction?
3. Did the employment of a gambit or gambits damage the working relationship between your
   organization and the other party who has been an important long-term vendor of your firm?

There are several approaches negotiators can use to answer the questions just listed. Kirkpatrick’s
model (Kirkpatrick, 1959; Kirkpatrick and Kirkpatrick, 2006) follows the goal-based evaluation approach
that has been integrated into Goldstein’s evaluation phase. It identifies levels of evaluation which include
(1) reaction, (2) learning, (3) behavior, and (4) results. The four levels will be applied to negotiation
evaluation below:

1. **Reaction.** Negotiators can evaluate gambits by first simply asking fellow negotiators (through
   questionnaire, individual interview, or group interview) about what they think of each gambit. This is
   the easiest information to collect about each gambit.
2. **Learning.** Negotiators can evaluate gambits by asking if the use of gambits allowed them to gain any
   knowledge about the other side. Does use of a gambit lead to information such as target points or
   resistance points?
3. **Behavior.** Negotiators can evaluate gambits by analyzing if an individual gambit affected the
   behavior of the other side. This may be difficult to evaluate. For some gambits such as the flinch, the
   other side might immediately react with a response. With other gambits such as a compromise, the
other side might take days or months to react. Furthermore, the compromise gambit might be combined with several other gambits so the influence of one gambit might not be totally clear.

4. Results. Lastly, what were the results or outcomes from the negotiation? Were the negotiation objectives achieved? If so, to what extent? If not, why not? How did the gambits as a whole lead to the negotiation results?

Feedback Loop

According to the Association to Advance Collegiate Schools of Business (2010) Eligibility Procedures and Accreditation Standards, the feedback loop back to the assessment phase is also known as closing the loop. The feedback loop is one of the most important aspects of Goldstein’s Model. When negotiations have been completed, successful and unsuccessful aspects of those negotiations are often forgotten for future negotiations. This feedback loop phase ensures that lessons learned from the past are not forgotten. Records of prior negotiations and gambits should be kept in this phase so they can be retrieved for the assessment phase of future negotiations. Individuals should be clearly assigned to keep the records and remember what worked and what did not work in past negotiations.

Future Research

Goldstein’s Model provides a general framework for assessing negotiation objectives, selecting and using gambits, evaluating negotiations and gambits, and providing a feedback loop. This general framework leaves many details for some useful future research papers.

The gambit assessment phase requires future research involving the intent to use gambits at all based on negotiation objectives set. Should gambits be used to achieve objectives or are there some other means of achieving objectives by simply agreeing with the proposal?

The gambit selection phase requires significant future research on why negotiators should pick one gambit over the next one. This phase is rooted on the assessment phase that sets basic negotiation objectives and target points. Some of the variables that may be considered for future decision tree frameworks and studied through surveys and experiments may include the following:

1. Is the opponent engaging in inappropriate behavior?
2. Is the opponent contingently cooperative?
3. Is future negotiation important?
4. Does the opponent have limited alternatives?
5. What is the time frame of negotiations?
6. What is the importance of the outcomes?
7. How experienced are the negotiators?
8. What are the negotiator’s demographics such as age, race, gender, etc.?
9. Has there been past success in negotiations?

The gambit evaluation phase requires significant research concerning when certain gambits are effective in negotiations. For example, the flinch gambit is a strong negative reaction to a proposal that is often used at the beginning of negotiations. It might be very effective in front of people who are very inexperienced in negotiating and are unaware of this particular tactic. But this same negotiation tactic might be very counterproductive with experienced negotiators who are quite aware that this tactic can be done. Just to do research on the flinch gambit, many research questions come up such as the following:

1. Is the flinch more appropriate in formal or informal settings?
2. With what demographic groups would the flinch be most effective in terms of gender, age, race, and religion?
3. At what time of negotiations would the flinch be most effective?
4. How strong should the flinch be (mild, moderate, very strong)?
5. Should a flinch involve verbal only or be combined with physical gestures such as hand, and eyebrows?
6. How often should a flinch be repeated in a negotiation?
7. Can there be variations in a flinch in a negotiation?
8. What type of personality would use the flinch more effectively? Type A or Type B?

As shown by the list, a problem with gambit research is that there are many variables that need be covered on each particular gambit. Furthermore, isolation of the effectiveness of one gambit would be difficult because many gambits might be used on a particular negotiation.

Finally, the feedback loop is an ignored topic in negotiation research. Future research needs to analyze what negotiation records (gambits, strategies, various offers) are kept from prior negotiations that are needed to set goals for the assessment phase in the next negotiations. Future research also needs to analyze who is typically in charge of retrieving records of past negotiation gambit use.

Conclusion

Goldstein provides a model that can be adapted to the negotiation setting. In the assessment phase, the need for negotiations should be established and negotiation objectives should be set. In the gambit use phase, gambits must be selected and used. Existing literature on negotiation gambits focus on win-win gambits, ethical and unethical gambits, fallacy gambits, and other gambit recommendations based on decision trees and short lists of recommended gambits. There are very few systematic approaches to modeling what would be the best gambits for what situations. Sources of gambits include personal experience, other negotiation professionals, and the literature. In the evaluation phase, the reactions and behaviors of the other party can be evaluated as well as the results of the negotiations. These can help determine whether the gambits have been successful. There is a feedback loop where records of the results of the evaluation phase go back to the assessment phase to facilitate organization learning to improve the appropriate use of gambits in future negotiations. Future research should investigate the effectiveness of various gambits through surveys and experiments.

REFERENCES


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