Review Essay

Dinner Parties and Poker Games: Setting the Table, Shaping the Game, and Other Negotiation Metaphors

Linda Babcock

David A. Lax and James K. Sebenius. *3-D Negotiation: Powerful Tools to Change the Game in Your Most Important Deals*. Boston: Harvard Business School Press, 2006. 286 pages. $29.95 (hardcover) ISBN: 1591397995.

Michael Watkins. *Shaping the Game: The New Leaders Guide to Effective Negotiating*. Boston: Harvard Business School Press, 2006. 196 pages. $26.95 (hardcover) ISBN: 1422102521.

Metaphorically Speaking

Aristotle argued that "the greatest thing by far is to be a master of metaphor." Artistotle probably did not have negotiation in mind when he wrote this, but recent research has analyzed the pervasiveness and impact of metaphors in negotiation (Gelfand and McCusker 2002; Smith 2005). Michele Gelfand and Christopher McCusker (2002) maintain that "Metaphors are the basic mechanism through which humans conceptualize experience" (297–298) and that metaphors influence how we interpret and understand a situation.

Both of the books discussed in this essay, *3-D Negotiation* by David Lax and James Sebenius, and *Shaping the Game* by Michael Watkins, introduce the same novel and important insight, but interestingly, they choose different metaphors to refer to it. Here is the insight: most negotiation training

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(and research) starts too late in the process. We typically take the negotiation environment as static and predetermined: the parties are already identified, and the scope of the negotiation has been defined. Consequently, theory and teaching on how to negotiate most effectively has focused on tactics to be used *at the bargaining table*. These tactics, such as logrolling and anchoring, are indeed important parts of the story. They are not, however, the *only* important components. To be effective, negotiators must consider how they can influence the negotiating environment *beyond* their interactions at the negotiation table.

Interestingly, both books conceptualize this strategic imperative — concentrate on moves away from the negotiation table — quite differently. Lax and Sebenius use the metaphor "setting the table." They stress undertaking actions "ensuring that the *right parties* have been approached, in the *right sequence*, to deal with the *right issues* that engage the *right set of interests*, at the *right table or tables*, at the *right time*, under the *right expectations*, and facing the *right consequences of walking away if there is no deal*. If the *setup* at the table isn't promising, this calls for moves to *re-set* it more favorably" (Lax and Sebenius 2006: 2).

Watkins portrays this as "shaping the game," which he describes as "influencing the structure of the negotiation in which you participate. Shaping the game means not passively sitting by while others define who participates, what the issues are, and what deadlines drive action. Great advantage in negotiations goes to the parties who define the rules of the game" (Watkins 2006: 13).

The advice from both books sounds similar, and, at first glance, their metaphors do not sound very different either. But I think there are important differences in the mental models that the metaphors invoke — the social reality that we construct regarding what the process of negotiation is all about. So, allow me to dive a bit more deeply into the metaphorical.

What comes to mind when one thinks about "setting the table"? I think of Martha Stewart, how she would expend considerable energy to make sure the table was set beautifully for the enjoyment of all the diners. Thus, setting the table invokes the idea that the choices I make in setting the table are designed to please everyone *at* the table.[1] Lax and Sebenius illustrate this well with their story of Concord Pulp and Paper, a company that sought to expand its facility. When initial financing attempts failed, they "re-set" the table to include five diverse new parties. With proper sequencing, Concord made the deal it wanted *and* created gains for all parties involved.

Of course, there is a distributive component to setting that table. Lax and Sebenius discuss how a focus on "setting the table" can be used to claim value as well. As an example, they describe how the Pacific Maritime Association (PMA) "set the table" to effectively back the International Longshore and Warehouse Union into a corner with not much recourse but to

accept PMA's deal. In the past, the union had used a "work slow down" to cripple the PMA into accepting their preferred deal. But this time, the PMA leadership decided before the negotiations to restructure their entire board with new members who would understand that giving in to the union time after time was a terrible long-term strategy. When the union again tried a slow down, the PMA fought back hard and locked out the workers, understanding that they could incur enormous costs in the short run but that the long-term benefits would be substantial. Once the government realized the devastating costs that the lockout would have on the economy, the president invoked the Taft-Hartley act to force the reopening of the port. Thus, PMA's away-from-the-table moves worked to effectively neutralize the union's main bargaining weapon. Lax and Sebenius quote the lead negotiator for the longshoreman's union who lamented that "it used to be that the negotiation took place at the table" (41), underscoring how PMA effectively changed the course of the negotiation with its away-from-the-table activities.

In my view, the metaphor of "setting the table" encompasses enhanced value claiming and enhanced value creation. That is: I'll set a lovely table and we'll have *paella* on fancy china (which I prefer) rather than hamburgers on paper plates (which you prefer), but we'll both enjoy the meal. My husband's opinions about my cooking aside, you will not walk away hungry or get food poisoning, and I'll let you choose the wine, which is important to you but not particularly important to me. Setting the table properly can be good for all.

Watkins' metaphor of "shaping the game" conjures a more distributive or value-claiming mental model, suggesting such "game-shapers" as the Las Vegas casinos, where the games are designed to be actuarially beneficial to "the house." The word game itself implies that the activity — whether a sporting event, board game, or card game — will end with winners and losers. One of the only counterexamples I can think of is cat's cradle, a game played with yarn by two people (usually young girls) where they work together to make different shapes, passing the yarn back and forth between their hands; no one wins or loses. But this game is quite an exception; in fact, a friend of mine claims that cat's cradle cannot, by definition, be a game because there are no winners.

Thus, the implication of its metaphor of "shaping the game" unfortunately does Watkins' terrific book a disservice because it conceptualizes the negotiation experience as one that involves winners and losers, suggesting a pure value-claiming situation. Although his book actually does concern both creating value and claiming value, the not-so-subtle game metaphor may cause readers to process the book's message in a way counter to what Watkins intends.

But perhaps the "game" analogy is what sells negotiation books, and this title may have been chosen — as titles often are — by the publisher

rather than the author. Of a similar crime the Lax and Sebenius book is also guilty: although the principal metaphor their book employs to characterize moves away from the table is "setting the table," its subtitle is *Powerful Tools to Change the Game in Your Most Important Deals*. My guess is that a reference to "setting the table" in the subtitle made the authors and publisher nervous — bookstores might accidentally place it next to one of Martha Stewart's books!

Metaphors aside, both books emphasize the effectiveness of moves away from the negotiation table. These ideas are articulated in the first half of the Lax and Sebenius book (especially Chapters 4 through 7) and throughout the Watkins book (especially Chapter 5). Both books provide instructive and memorable examples that illustrate the principals of away-from-the-table moves and the subtleties involved in executing them. In this way, both books add tremendously to a negotiator's repertoire.

In thinking about these books, I realize that the literature (both research and practitioner-oriented) has largely ignored the importance of this "pre-negotiation table" phase of the process. While the negotiation canon has consistently advised a few specific away-from-the-table tactics, such as maximizing one's no-deal alternatives, it contains little else in the way of research findings or practitioner advice on how the negotiator should "set" his or her negotiation table properly. With their thorough examinations of this neglected area of negotiation, both of these books expand the negotiator's horizons and advance both the practitioner and research communities in the process.

Mining for Gems

Both books contain a cache of useful guidance. Watkins' book uses an extremely effective rhetorical device: it follows one emerging leader throughout the book, depicting negotiation's critical role in addressing the challenges he faces in rising to a new leadership position, proving himself, and leading successfully.

Two pearls of wisdom, in particular, stand out. First, *Shaping the Game* emphasizes the importance of matching strategy to situation. Many negotiation books note this only in passing, but the explicit treatment this guiding principle is given in Watkins' book is terrific (especially Chapter 3). He emphasizes that negotiation situations differ in the extent to which it is possible to create value and why assessing this *before* the negotiation begins is critical to plotting the most effective strategy. Watkins goes beyond merely outlining the distinctions between a simple, single-issue negotiation and a more complex, multiple-issue process to examine in detail how different types of relationships can create value.

The book's entire sixth chapter, "Organize to Improve," is also a gem. Watkins' main argument here is that to improve his/her negotiation outcomes, the negotiator must reflect on his/her experiences and hone his/her

skills in such areas as pattern recognition and parallel processing. To assist readers to debrief their own negotiation experiences, Watkins provides a checklist of questions to prompt the negotiator to consider what worked, what did not, and what could have been done differently. Negotiators who undertake this type of reflection, I think, will be able to improve their skills at a faster rate.

Watkins makes another important point in this chapter about how organizations can establish *processes* to capture learning. He argues that organizations would profit from externalities in learning, that when negotiators share their learning with others in the organization, everyone benefits but that organizations often fail to realize these benefits "because they lack the mechanisms needed to share and codify, to the degree possible, key insights gained from the experience of individuals and teams" (167). He offers concrete suggestions for ways in which organizations can take advantage of these opportunities (negotiation "apprenticeships," establishing a shared negotiation terminology, etc.) that would be well worth the investment.

My only quarrel with anything in Watkins' book concerns how he frames one of his core goals: enhancing the negotiator's personal credibility. This is certainly a worthy objective, but I think the way he operationalizes it — that the negotiator should develop a reputation "as a tough, creative, and trustworthy negotiator" (9) — is problematic. I am all for creative and trustworthy, but I worry about being perceived as "tough," especially for women. Numerous psychological studies have documented our society's persistent double standards regarding male and female behavior. (See Carli, LaFleur, and Loeber 1995; Eagly, Makhijani, and Klonsky 1992; Heilman et al. 2004; Rudman 1998; Wade 2001.) Frank Flynn and Cameron Anderson conducted a brilliant in-class experiment at the New York University Business School that demonstrated how this double standard works (Flynn and Anderson 2006). In two separate sections of an advanced organizational behavior class, they distributed the case of H. Roizen, a powerful Silicon Valley entrepreneur. The case describes how Roizen used vast personal and professional networks to achieve business success. The entrepreneur is described in such agentic terms as aggressive, active, and independent. The cases were identical in each class section but for one critical detail: in one section, Roizen's first name was "Heidi," and in the other it was "Howard." Before they discussed the case, students were asked to complete an online questionnaire about Roizen. While students found Heidi and Howard to be equally competent and effective, students who received the "Heidi" case reported that they liked Roizen much less than did those who received the "Howard" case and, as a consequence, found Heidi to be less worthy of hiring than Howard. Apparently, while it is fine for women to be competent, we still seem to dislike it when they overstep society's prescriptive norms — and clearly Heidi, though not Howard, did. Thus, Watkins' advice that

negotiators should present themselves as "tough" is probably fine for men, but could be dangerous for women.

Lax and Sebenius take a different rhetorical approach, using dozens of fascinating examples from all sectors to make their points. Unsurprisingly, like many negotiation books, they discuss the importance of relationships and of taking a long-term perspective in negotiations. But their treatment of these issues is extremely comprehensive and thorough. For example, they write that many "agreements deliver their value only when all parties live up to their respective sides of the bargain in the intended spirit" (17). As a result, the state of the relationship will affect the ultimate outcome of the negotiation for all parties. In Chapter 11, "Negotiate the Spirit of the Deal," the authors dig deeply into this phenomenon, arguing that each side's expectations about what the deal means must be understood and negotiated alongside all the financial terms.

Lax and Sebenius dedicate no less than four chapters to how to identify sources of joint gain and to design value-creating agreements. While suggestions such as creating contingent contracts and searching for differences in relative priorities are by no means new, they provide numerous examples that illustrate these concepts vividly. In these chapters, Lax and Sebenius effectively reinforce the idea that all value is not economic and that noneconomic sources of value are too often neglected by negotiators. These are important points, ones that are making a comeback in the literature. Psychologist Jared Curhan and his colleagues recently found that individuals deem such "subjective values" as how the negotiation affects one's self-image and one's relationship with the other negotiator to be important in a negotiation (Curhan, Elfenbein, and Xu 2006). Their study found that negotiators' subjective values were a stronger predictor than economic outcomes in affecting decisions regarding future interaction with their negotiation counterpart.

Both books make an additional important rhetorical point: each argues that the "win/win" versus "win/lose" distinction is a false one. They remind us that every negotiation that creates value also has a distributive component. Lax and Sebenius put it nicely: "The battle line doesn't go away when the parties create value; it simply moves northeast" (131).

A Challenge for the Classroom

Struck by the case that these authors make for the importance of away-from-the-table moves, I began recently to think about how I could incorporate these ideas into my negotiation class. I had a disturbing realization: the pedagogy most instructors (including myself) use to teach negotiation, the case method, makes it difficult to integrate these concepts.

Negotiation instructors typically choose from the fine array of negotiation case exercises developed by the Harvard Business School, Kellogg's Dispute Resolution Research Center, and the Program on Negotiation at

Harvard Law School (PON) to demonstrate negotiation *techniques* in class — specifically, moves that take place *at the negotiation table*. For example, one of my favorite exercises is PON's Riverside versus Department of Environmental Conservation (DEC), which is a dispute between a lumber mill and its government regulator, the Department of Environmental Conservation. It very nicely demonstrates the importance of information exchange for value creation and the role of linkages, and it allows students to practice their logrolling techniques and to manage the tension between revealing and concealing information. But how could it possibly be used to teach lessons about setting the table?

By definition, most of these exercises involve sitting down with the person on the other side of the table (thus, they are already *at the negotiation table*). The parties are fixed, as are the issues, interests, and scope of the negotiation. These factors are already prescribed in the negotiation case, and the students are not given enough institutional details about the parties to enable them to improvise a re-setting of the table; instead — pardon the mixed metaphors — they must play with the hand they are dealt.

The case I know that comes closest to enabling away-from-the-table moves is the Dispute Resolution Research Center's Texoil case, in which the parties must first uncover the basic interests underlying their positions in order to reach a deal. But this case does not allow for other types of away-from-the-table moves, such as changing the identities of the parties at the table, the timing of the deal, or the parties' no-deal alternatives.

Perhaps we need to design entirely new cases, but doing so would be extremely challenging. To make appropriate away-from-the-table moves, students would need deep knowledge about the context of the particular negotiation situation, which is not likely to be feasible in fictional cases. It might be possible to take advantage of real-world negotiations that are in their early stages and use these to discuss in class how the negotiators involved might use away-from-the-table moves to create and claim value. Students could research the negotiations thoroughly to gain insight into the negotiation context. Although this could be quite instructive, getting access to the right information could be challenging for students — gleaning this kind of information often requires having "insider" knowledge. These books encouraged me to think about how our teaching methodology, in an important way, has constrained the content we deliver in the classroom.

But these teaching obstacles I have noted here in no way diminish the importance of these books for readers. Rather, these books can be seen as challenges to the field to find ways of incorporating their valuable insights into our classrooms.

4-D: The Final Frontier?

Of course, no book review would be complete if the reviewer did not find a way to refer to her own work. I will do that, in closing, with a challenge

to the authors: back up the negotiation process even further to the decision to initiate a negotiation. While the authors have successfully examined pretable strategies, I believe we should look back even further. Almost every example in these two books takes for granted that an actor views his or her situation as warranting negotiation. But I wonder if we in the negotiation field, who are obsessed with negotiation, forget that not everyone in the world views the world as such a negotiable place. Even savvy professionals may need some coaching about how to recognize opportunities for negotiation and how to understand the many potential costs and benefits of initiating negotiation in the first place.

This seems to be another example of how methodology has constrained our field. In nearly all experimental negotiation research, subjects are brought into the laboratory and instructed that they will conduct a negotiation. Although this research has successfully identified how behavior and attitudes affect negotiation strategies and outcomes, it does not allow us to ask such questions as: when do individuals recognize opportunities to negotiate? Or, what are the factors that affect their decisions to initiate negotiations? When my colleagues and I began a research program to investigate the impact of gender on one's propensity to initiate negotiation, we realized that it would entail designing an entirely new research paradigm — we needed to devise experimental situations in which participants might negotiate spontaneously rather than being explicitly instructed to do so (Babcock and Laschever 2003; Babcock et al. 2006; Babcock et al. 2003; Small et al. 2006).

Our research is still in its infancy, and much more research needs to be undertaken if we are to understand this stage of the negotiation process. Lax and Sebenius call their book *3-D Negotiation* because they claim that negotiators who engage in moves away from the table are able to see the situation in more dimensions than negotiators who are stuck seeing their negotiation environment as static. But their vision remains incomplete; recognizing opportunities to negotiate as well as understanding the risks and benefits to negotiating are also important skills. After all, if you do not even make it to the negotiation table in the first place, all the great advice these books offer will have gone to waste.

NOTES

1. In baseball, "setting the table" refers to how the lead-off hitter makes strategic moves, such as stealing bases and "hit and run" plays, to put the batters following him into scoring positions. The hitters strategize to help the team win the game, rather than focusing on improving their own batting averages.

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