**Negotiation and Bargaining with Your BATNA in Mind**

**In negotiation and bargaining situations, we too often accept less than we could get elsewhere. Recent negotiation research clarifies why we behave irrationally—and how we can do better.**

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Experienced negotiators understand they should reject any deal that is inferior to their [*best alternative to a negotiated agreement*](https://www.pon.harvard.edu/daily/batna/frustrated-by-an-uninformed-negotiator-consider-your-batna/), or BATNA. What is a BATNA in negotiation? Your [BATNA](https://www.pon.harvard.edu/daily/batna/translate-your-batna-to-the-current-deal/) is the best possible outcome you could get if you walked away from your current negotiation and bargaining situation. When negotiating at an auto dealership, for example, you shouldn’t buy a car if you could get a better deal on a comparable car elsewhere. Similarly, if you aren’t happy with the job offer you’ve received, hopefully you’ve cultivated a better deal elsewhere or have another strong BATNA, such as attending graduate school or staying at your present job.

Unfortunately, in the heat of the moment, people often accept options that are inferior to their best outside alternative, professor Ece Tuncel of Webster University and her colleagues Alexandra Mislin, Selin Kesebir, and Robin L. Pinkley found in a study published in the journal *Psychological Science* in 2016. In one experiment, participants were told they were being paired online with a person whom they did not know and would not meet or deal with again. (In actuality, there was no such person.) Participants were asked to divide a fixed number of points between themselves and the other person nine times; each time, participants were asked to choose between an option that gave them fewer points than their counterpart and an option that gave them more points than their counterpart.

The results showed that when the option that would give participants fewer points was labeled “Agreement” and the option that would give them more points was labeled “Impasse,” participants chose the Agreement option 24.55% of the time. By comparison, when the same “Agreement” option was instead called “Option A” and “Impasse” option was labeled “Option B,” participants only chose Option A 3.99% of the time.

The results showed that participants’ bias toward reaching agreement (and/or not reaching impasse) often led them to make choices that left them worse off than their counterpart, even though they knew they would not be building a long-term relationship with the other party.

In another experiment, MBA students engaged in negotiation and bargaining face-to-face, and their outcomes were linked to their grades in the course. Participants in this study often preferred to reach a deal that was economically suboptimal for them personally rather than reach an impasse. In about 75% of the pairs that reached agreement, one party settled for a deal that was detrimental to his or her economic interest in the negotiation and his or her course grade.

**Agreement Attraction or Impasse Aversion?**

Did the participants in these negotiation and bargaining experiments agree to subpar deals because they felt psychologically compelled toward agreement or because they felt a strong desire to avoid impasse?

Consider that negative events (such as impasse) tend to affect us more strongly than positive events (such as agreement), a phenomenon that Roy F. Baumeister of Case Western Reserve University and his colleagues dubbed the “bad is stronger than good” effect. For example, negative emotions and feedback, as well as [deceptive tactics in negotiation](https://www.pon.harvard.edu/daily/negotiation-skills-daily/deceptive-tactics-in-negotiation-how-to-ward-them-off/) and bargaining, have more impact on us than positive emotions and feedback, or collaborative tactics.

Not surprisingly, then, Tuncel and her colleagues found that the motivation to avoid impasse, a negative event, is stronger than the motivation to seek agreement, a positive event. When making monetary allocations between themselves and a partner, MBA students were more likely to choose the personally disadvantageous option when it allowed them to avoid impasse than when it allowed them to reach agreement.

**Becoming Comfortable with Impasse**

What [negotiation tips and techniques](https://www.pon.harvard.edu/daily/negotiation-skills-daily/5-good-negotiation-techniques/) can help us overcome the predisposition to avoid impasse and accept an agreement that’s worse than our BATNA?

Awareness of the tendency should motivate us to more thoroughly compare the option on the table with our outside alternatives during negotiation and bargaining. In addition, avoiding the words “impasse” and “agreement” entirely during negotiation and bargaining situations may help avoid stirring up the strong motivations these terms bring, the researchers suggest. In particular, we should work to avoid equating impasse with failure and instead frame it as choosing the best alternative available.

In related work by Carnegie Mellon University professor Taya R. Cohen and her colleagues, teams of negotiators were more likely than individual negotiators to reach impasse when impasse was the rational choice. Therefore, you might consider working on a team or enlisting advisers to help you evaluate your options in negotiation and bargaining.