Positive affect and decision frame in negotiation

Peter J. Carnevale

Abstract This study examined decision frame ("gain" vs. "loss") and negotiator affect (positive vs. control) in a simulated bilateral negotiation where negotiators dealt with a programmed opponent and made offers and counteroffers on three issues that differed in value. Direct comparisons between the gain and loss frame conditions, in the control-affect condition, revealed a replication of the standard frame effect: a loss frame produced fewer concessions than a gain frame. However, an interaction effect indicated that the frame effect reversed in the positive affect condition: under positive affect, a loss frame produced greater concessions than a gain frame. In addition, the data indicated a replication of earlier work showing that positive affect can lead to more integrative agreements in negotiation. The results suggest that positive affect can influence location of a reference point in evaluating prospective outcomes; one implication is that prospect theory can be useful for understanding the effects of affect in bilateral negotiation.

Keywords Negotiation · Frame · Affect · Mood

Affect and emotion are basic elements of negotiation and dispute resolution. Although anger, a specific emotion, is often salient in hostile disputes, there is converging evidence that positive affect—defined as a good mood or pleasant feeling state—can also shape negotiation process and outcome. Positive affect can improve information processes, problem solving, and negotiator decisions and outcomes (Carnevale and Isen 1986; see also Forgas 1998; Kramer et al. 1993; O'Quin and Aronoff 1981). At the same time, there is converging evidence that decision frame, a negotiators perspective on their outcomes as either a gain or a loss (Tversky and Kahneman, 1981; Kahneman and Tversky, 1995) can affect negotiation

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behavior (Bazerman et al. 1985; see also Bottom 1998; De Dreu et al. 1994; Neale et al. 1987; Olekalns, 1994, 1997).

One question that has not yet been explored is whether frame in negotiation is related to affective processes in negotiation and, if so, how so. Thus the present study examined positive affect in negotiations that were framed as either a gain or a loss. This reflects the current trend in decision research to integrate models of decision, e.g., prospect theory, with affect and emotion (cf. Haselhuhn and Mellers 2005; Lerner et al. 2004; Novemsky and Kahneman 2005; Rottenstreich and Hsee 2001). The implication of the present study, consistent with this growing body of work, is that prospect theory is useful for understanding affect in negotiation and, moreover, that affective systems underlie frame effects (De Martino et al. 2006). The core idea tested here is that a reference point shift can induce a downsizing of loss differences and an upsizing of gain differences, and this can impact negotiation; moreover, tested here, is the idea that positive affect can impact reference points.

1 Frame effects and negotiation

The concept *decision frame*, from Tversky and Kahneman (1981), is "the decision-maker's conception of the acts, outcomes, and contingencies associated with a particular choice" (p. 453). That definition covers a lot of territory; its specific meaning here is about the construal of an outcome as either a gain or a loss relative to a neutral reference point, which is a core proposition of Kahneman and Tversky's (1979) prospect theory. In prospect theory, decision is modeled in two phases, a framing phase and an evaluation phase. It is in the framing phase that prospective outcomes are evaluated as positive or negative deviations (gains or losses) in comparison with a neutral reference outcome. Attitudes toward risk are represented in an S-shaped value function that is concave above the reference point and convex below, indicating that subjective differences decrease as either losses or gains increase. Loss aversion is also represented in the value function, where the slope of the function below the reference point is steeper than the slope above the reference point (Kahneman and Tversky 1979). In other words, a loss of $x is more repulsive than a gain of $x is attractive; thus Kahneman and Tversky's famous dictum, *losses loom larger than gains*. Studies by Kahneman and Tversky and many other support this (e.g., Budescu and Weiss 1987; Kühberger 1998; Levin et al. 1998), and there is considerable supporting evidence in negotiation.

Bazerman, Neale and their colleagues and students applied prospect theory and related notions of decision making to negotiation behavior. In one seminal study, Bazerman et al. (1985) used a market version of a 3-issue integrative bargaining task (cf. Pruitt and Lewis 1975) to examine the effect of frame on the outcome of the negotiation. Bargainers in the gain frame condition negotiated profits, those in the loss frame condition negotiated expenses; both tasks' net outcomes were identical. When the task was framed in terms of profits, more participants reached agreement in the market, thus total profit was greater than when the task was framed as expenses. This finding is consistent with loss aversion: a concession framed as a loss looks larger and thus more difficult to make compared to the same concession framed as a gain; thus concession making should be less in the case of losses. This is consistent with the notion of riskless choice and the contrast between buying and selling prices, which also reflects reference dependence (Thaler 1980; Tversky and Kahneman 1991). The frame effect can also be interpreted in terms of risk about agreement: with a loss frame, negotiators are risk tolerant thus making fewer concessions and risking nonagreement; with a gain frame, negotiators are risk averse thus making more concessions to get to agreement quickly.

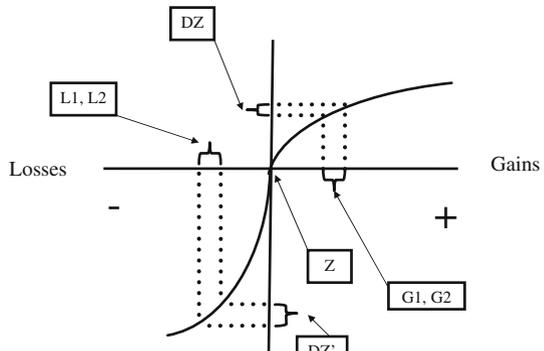**Fig. 1** Prospect theory value function (reference point Z)

Figure 1 shows a value function in prospect theory. To illustrate the prospect theory interpretation of a concession, consider a concession in the domain of gains, G2 to G1 (G2 has greater value to the negotiator than G1). Extrapolating to the value function curve, to distance DZ, one can see that the subjective value is less than the same comparison in the domain of losses, L2 to L1, which extrapolates via the solid curve to distance DZ'. The loss concession looms larger and this is described by the steeper slope of the value function in the loss domain than in the gain domain.

The present study used a computerized bilateral negotiation paradigm modeled after the task used in Bazerman et al. (1985) and Pruitt and Lewis (1975) to test the hypothesis that positive affect can influence the location of a reference point in evaluating prospective outcomes as gains or losses, and thereby produce a change in frame effects.

2 Positive affect, cooperation, and reference points

Many studies indicate that positive affect such as happiness can foster cooperation and concession making (Baron 1990; Kopelman et al. 2006; O'Quin and Aronoff 1981), as well as problem solving and integrative agreements (Carnevale and Isen 1986; Forgas 1998; Kramer et al. 1993). Moreover, cooperative people tend to look happy and competitive people tend to look angry (Kuhlman and Carnevale 1984; Shelley and Kuhlman 2003). Of course, context is an important moderator: Lanzetta and Englis (1989) found that a conflict context can elicit a counter-empathy response where a smile on an opponent's face elicits a grimace and vice versa.

People who feel good see the world in a more optimistic light and may have greater expectations of success. Isen et al. (1978), for example, found that positive affect increases the accessibility of positive material from memory. There is evidence that people in a good mood set more ambitious goals and have higher expectations (Forgas 1998), especially if doing so makes sense in the context (Erez and Isen 2002). The implication for reference points is direct.

Given that positive affect produces a shift of the neutral reference point upwards, the standard frame effect in negotiation may change. With a reference point shifted to the right, subjective value in the domain of gains is described at a steeper portion of the value function. And, in the loss domain, subjective value is described at a less steep portion of the value function. This is shown in Fig. 2 with value function under positive affect drawn as a dotted line. Under positive affect, the slope of the curve is steeper in the domain of gains for the

Fig. 2 Prospect theory value function under positive affect: the reference point is shifted up (dotted line to the right, reference point A) indicating greater expected outcomes
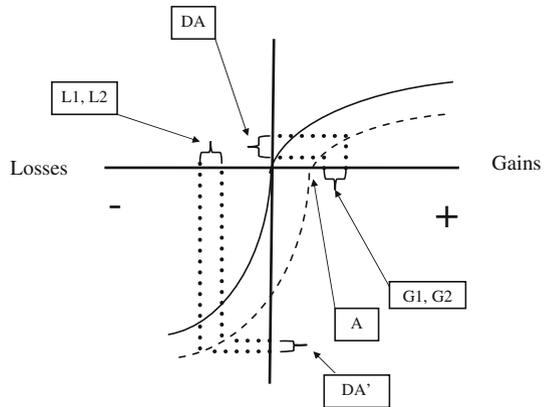
distance G2 to G1 than it is in the domain of losses from L2 to L1. In other words, the gain differential increases with the reference point shift and the loss differential decreases. (And one could be more absolute and posit that, under positive affect, gains loom larger than losses; in Figure 2 DA>DA'.) The implication for frame effects is that there should be a change—even a reversal—of the standard frame effect. That is, under a positive mood, a concession in the domain of gains should look larger than the equivalent concession in the domain of losses, thus harder to make. In other words, concessions should be fewer in the gain-frame/positive affect condition than in the loss-frame/positive affect condition. This represents a reversal of the frame effect.

This hypothesis is consistent with McCusker and Carnevale's (1995) finding that expectations can serve as reference points and thus impact cooperation. They used a resource dilemma and found that expectations driven by a sanction system shifted the reference point and thus had an impact on contributions. The idea that expectations can serve as a reference point, in place of current endowment, was part of the original prospect theory: As Tversky and Kahneman put it, "A diversity of factors determine the reference outcome in everyday life. The reference outcome is usually a state to which one has adapted; it is sometimes set by social norms and expectations; it sometimes corresponds to a level of aspiration, which may or may not be realistic" (1981, p. 456). This is also consistent with Koszegi and Rabin's (2006) proposal that an expected endowment, for example, a person's intention, and not the current endowment, may serve as a reference point.

Thus the proposition tested in the present study was that positive affect can influence expectations and reference points and thus moderate frame effects in negotiation. A similar formulation but in terms of risk was presented by Arkes et al. (1988; see also Bottom 1998), who found that participants in a positive affect condition were more risk averse with regard to losses and more risk seeking with gains.

3 Hypotheses

The objectives of the present study were threefold:

1. To replicate the finding that a loss decision frame produces resistance to concession making (Bazerman et al. 1985);
2. To replicate the finding that positive affect leads to more integrative solutions (Carnevale and Isen 1986); and most importantly,

3. To test a novel hypothesis about the interactive effect of positive affect and frame on concession making in negotiation. In the affect-control condition, the standard frame effect was expected: fewer concessions under the loss frame than the gain frame. In the positive affect condition, the opposite was expected. If obtained, the result would support the notion that positive affect can produce a reference point shift upwards.

3.1 Method

3.1.1 Participants and design

Sixty-nine females and 63 males introductory psychology students participated in the study to fulfill a course requirement. The between factorial design was a 2×2, which involved two independent variables: task frame (gain, loss) and affect (positive, control). The frequencies for each cell in the 4-cell design ranged from 32 to 34.

The experiment was conducted in a laboratory that contained ten IBM microcomputers. Between 5 and 10 participants were run in each session, which lasted approximately 45 min. Participants were randomly assigned to conditions, and the experimenter was blind to assignment to frame. Each participant was seated in front of a computer, which presented the instructions, the task, and a questionnaire. The participants were informed that they would act as a seller of appliances; and would be negotiating through the computer system with another person who was a buyer of appliances. This buyer was actually simulated by a computer program.

The negotiation task was identical to that used in past studies of integrative bargaining. It involved the terms of sale of appliances, which were "Delivery time," "Discount terms," and "Financing terms." A table of the seller's issues and profits on each issue were shown on each round (which is described below). The participants were not shown their opponents' chart. During a round, the programmed buyer presented an offer for each issue, and the seller was prompted to respond with a counter-offer and, if s/he wanted, a message.

The programmed buyer sent the following offers across the six rounds: ABA, BBB, ACC, BCD, CCE, and BDF (see Table 1 and the description of the task below). Data from a previous study had indicated that a similar pattern was intermediate in perceived cooperative-competitiveness.

The participants were told they would have seven rounds to reach an agreement. After the sixth round, the negotiation was interrupted and the participants received a questionnaire, after which the experiment was terminated. The reason negotiation was terminated on Round 6 was to obtain answers to a questionnaire while the participant believed the negotiation was underway, to gauge their perceptions of the process as it was still unfolding—as opposed to a questionnaire after it had ended which might be clouded by whether or not agreement was reached.

3.1.2 Independent variables

3.1.2.1 Bargainer frame/task description. The frame manipulation was identical to that used in Bazerman et al. (1985), here adapted to bilateral negotiation. In the gain-frame conditions, participants were told that they could make up to $8000 profit and they would be negotiating the amount of profit they would make from an agreement. They were shown an issue chart (see Table 1a) that listed nine levels of possible agreement (denoted by a letter from A to I) with a corresponding positive number that represented the profit value at each

Table 1 Participant (seller) issue chart for gain and loss-frame conditions

(a) *Issue chart for gain-frame conditions*

Delivery time		Discount terms		Financing terms	
A	0	A	0	A	0
B	200	B	300	B	500
C	400	C	600	C	1000
D	600	D	900	D	1500
E	800	E	1200	E	2000
F	1000	F	1500	F	2500
G	1200	G	1800	G	3000
H	1400	H	2100	H	3500
I	1600	I	2400	I	4000

(b) *Issue chart for loss-frame conditions (values subtracted from the gross of $8000)*

Delivery time		Discount terms		Financing terms	
A	-1600	A	-2400	A	-4000
B	-1400	B	-2100	B	-3500
C	-1200	C	-1800	C	-3000
D	-1000	D	-1500	D	-2500
E	-800	E	-1200	E	-2000
F	-600	F	-900	F	-1500
G	-400	G	-600	G	-1000
H	-200	H	-300	H	-500
I	0	I	0	I	0

agreement level. They were told "You can see that the best deal for you is "III", for a total outcome of 8000 points $(1600 + 2400 + 4000)$."

In the loss frame condition, the participants were told that they could make up to $8000 Gross Profit, and they would be negotiating the amount of expenses that would cut into their Gross Profit. They were told that their Net Profit would be $8000 minus expenses. They were shown an issue chart (see Table 1b) that listed nine levels of possible agreement with a corresponding negative number that represented the expense value at each agreement level. They were told "You can see that the best deal for you is "III," for a total expense of 0 points $(0 + 0 + 0)$. At III, your net profit would equal $8000 (that is, $8000 − 0 = 8000$)."

As an incentive for all conditions, the participants were told that the negotiators with the highest profit margin, after an agreement was reached, would win a cash prize of $25 (first place), $15 (second place), or $10 (third place). If the participants did not reach an agreement in seven rounds, they were informed the negotiation would go into arbitration at a later time to settle the outcome. In arbitration, the seller would have a 50%–50% chance of receiving a profit of either $8000 or $0.

3.1.2.2 Positive affect. The affect manipulation was very similar to that used in Isen and Geva (1987), and Isen et al. (1988). Participants in the positive affect condition were given, by the Experimenter, small bags of candy (clear plastic bag containing a handful of Hershey Kisses and M&Ms, tied with a ribbon). Manipulation checks in past work have shown that this manner of gift reliably induces positive feelings. In the control condition, participants were not given a gift and were unaware that other participants may have received a bag of candy. In an effort to strengthen the affect manipulation, the candy was administered twice in the affect condition: before specific instructions regarding the negotiation task were given and immediately before the negotiation began. After the first bag of candy was given, the experimenter told participants that the gift was a small token of appreciation for their participation in the study. After the second was given, the experimenter told participants she was distributing "leftovers" from other sessions.

3.1.3 Measures

On each round, the offers and messages of the participants were recorded. The main dependent variables were derived from the offers and are described in Sect. 3.2

After the sixth round when the negotiation was interrupted, participants were given a questionnaire which asked questions about the negotiations, including manipulation checks, and measures of perceptions of self and other regarding cooperativeness and aspirations. Upon completion of the questionnaire, participants were debriefed regarding the purpose of the experiment and the use of deception. They were informed that they would participate in a lottery at the end of the semester in which each participant had an equal chance to win one of five cash prizes, either $25, $15, or one of three prizes worth $10.

3.2 Results

3.2.1 Overview of the offer analyses

The participants' offers were evaluated using 2×2 (frame $\times$ affect) ANOVA models. Because the task (shown in Table 1) had three issues with nine possible settlement levels, the participants' offers were transformed in the following ways:

1. *Average offer value to self*, which was the point value to the participant based on the total of the three issues averaged across the six offers (e.g., the offer "HHG" was assigned 6500; see Table 1). A higher number indicates that fewer concessions were made in the negotiation. We expected a two-way interaction of frame and affect. The prediction was that this value would be higher in the loss frame/control than the gain frame/control, and higher in the gain frame/positive affect than the loss frame/positive affect conditions.

2. *Average offer value to other*, which was the point value to the "other" (the computer program) based on the total of the three issues averaged across the six offers (based on the a priori assumption that the "other" bargainer had the complementary integrative bargaining chart). The complementary integrative bargaining chart has the priority structure of the task reversed, such that the other prefers to be at level "AAA" on all three issues, and makes the most on "Delivery Time" (4000), next most on "Discount Terms" (2400), and least on "Financing Terms" (1600), with a total profit of 8000 at "AAA" and a total profit of zero at level "III." For example, the offer "HHG" was assigned 1200 for the other. This assumption permitted us to generate offer variables comparable to other research in negotiation. A higher number indicates that more concessions were made in the negotiation. Again, we expected a

frame by affect interaction in a complementary pattern as what we expected for the average offer to self.

3. *Last joint offer value*, which was the point total to self and other summed across the three issues for the last offer. This variable is a measure of offer integrativeness.

4. *Value difference of first and last offers*, which was the difference between the point total to self and other summed across the three issues for between the first and last offers. This variable also measures offer and outcome efficiency and capability of developing integrative offers. Again, we predicted a main effect for affect: participants in the positive affect conditions would have a higher difference, reflecting their movement toward more integrative offers.

Note that the variables *offer value to other* and *joint gain* rest on the assumption that negotiators have complementary integrative bargaining tasks. This models bilateral negotiations where that is the case. It also should be noted that these variables reflect a greater inclination to make concessions on low priority issues than high priority issues (see Pruitt 1981).

3.2.2 Offer analyses

Tests of the four offer variables indicated the following specific univariate effects:

The two-way interaction between frame and affect for the average offer to self and average offer to the other were both statistically significant, $F(1, 131) = 4.07$, $p < .05$, and $F(1, 131) = 4.01$, $p < .05$. As expected, the participants' average offers provided the greatest value to the participant (self), and the least value to the other (the programmed opponent), in the loss frame/control and gain frame/positive-affect conditions. The participants' offers provided the lowest value to self and highest value to other in the gain-frame/control and loss-frame/positive-affect conditions. This interaction pattern for offer to self, shown in Fig. 3, replicates the finding that a loss decision frame produces resistance to concession making in the control condition (Bazerman et al. 1985), and thus supports the first hypothesis. This pattern is also consistent with our third hypothesis that positive affect reverses the frame effect. In a loss frame, participants ~~became more risk averse and~~ made more concessions. In a gain frame, participants ~~became risk seeking and~~ made fewer concessions.

A significant main effect of affect was obtained for the last joint offer and value difference of first and last offers, $F(1, 131) = 4.12$, $p < .04$, and $F(1, 131) = 4.88$, $p < .03$. Participants in the positive affect condition produced higher values than those in the control conditions for the last joint offer ($M = 8721$ vs. 8503). Those in the positive affect condition also had a larger value difference between their first and last offers ($M = -627$ vs. -365). Both of these results suggest that positive affect participants made more concessions and more integrative offers than those in the control conditions, replicating Carnevale and Isen (1986), and Forgas (1998), and supporting the second hypothesis.

Only one participant reached agreement (made an offer that matched the program's offer), and this occurred on Round 6. Thus, it was not possible to analyze agreements.

3.3 Discussion

De Martino et al. (2006) found that increased activation in the amygdala was associated with frame effects, leading them to suggest that the "framing effect is driven by an affect heuristic underwritten by an emotional system" (p. 686). They also reported evidence of an opponency between two neural systems: enhanced neural activity in the right orbitofrontal cortex and the ventromedial prefrontal cortex was associated with lesser susceptibility to the frame effect

Fig. 3 Mean offer to self across all negotiation rounds as a function of affect (positive and control) and frame (gain and loss). Error bars represent standard errors of the mean. Vertical axis scale range is 0 to 8000, with the actual low at 5000 and the actual high at 7000
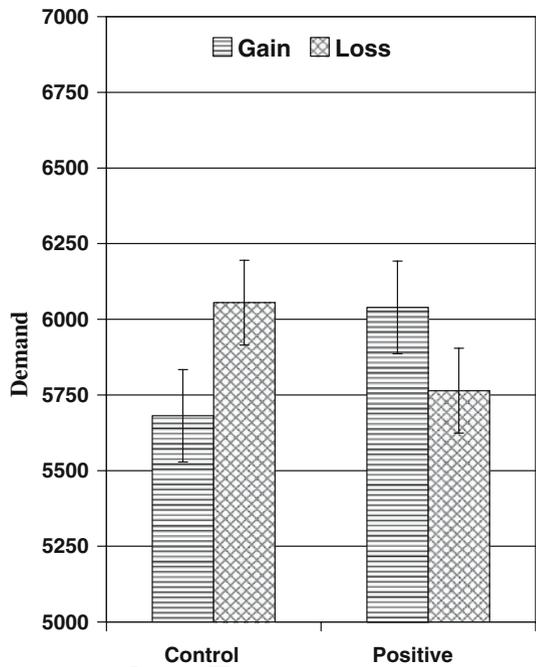
(greater rationality). The results of the present study suggest that positive mood, shown here to moderate the frame effect, might impact either or both of these neural systems.

One implication of the present study, mentioned earlier, is that prospect theory is useful for understanding the impact of affect on negotiation. This is seen in the simple proposition that positive affect can enhance expectations, which implies a higher reference point for the prospect theory value function. It should be noted that past studies of effect sizes found that frame effects in negotiation tend to be weak compared to effects of other variables (Druckman 1994, footnote 2; see Carnevale and De Dreu 2006a). The present study suggests the rather obvious point that the size of frame effects may vary as a function of other variables. That is, the emotional or motivational state of the negotiator may be important in not only the direction of the frame effect, as shown here, but also in the size of the frame effect. Indeed, there are studies to support this, for example, Carnevale and Keenan (1990) found the standard frame effect was moderated by cooperative motivational orientation (an effect recently replicated by Trötschel and Gollwitzer in press).

It may be interesting to speculate how anger, or negative specific emotions or affects might interact with decision frame. Anger is associated with irrational rejections of ultimatum offers (Pillutla and Murnighan 1996), it can interfere with judgment accuracy and integrative agreements (Allred et al. 1997), and it can make negotiators more self-centered. But anger sometimes goes along with cooperation: Hilty and Carnevale (1993) report that negotiators in some cases made the most concessions when forced to do so by an adversary who was completely uncooperative, and they felt quite angry when they made these concessions to reach a needed agreement; this is a case of a positive correlation of anger and cooperation (see also Van Kleef et al. 2004, and the notion of "mismatching" detailed in Smith et al. 1982). In this context, it is worth noting that dysfunction in neural systems associated with emotion can in some cases produce better decisions (Shiv et al. 2005).

If anger causes negotiators to *want more*, and if that *want* becomes the reference point, then anger may very well also serve to moderate frame effects in negotiation. It may be useful to note in this context that perceived, as opposed to experienced affect and emotion, may have very different effects: perceived anger of the other may cause a reduction of one's own aspirations, which implies a reference point shift to the left in Fig. 1, which might produce an exaggerated standard frame effect (cf. the Van Kleef et al. 2004, finding that suggests appearing happy denotes "satisfied" and appearing angry denotes dissatisfaction with an offer). An interesting follow-up experiment may be to examine reference dependence in expected negotiation outcomes driven by perceived negative and positive affect of the adversary.

Taken together, the results of this study provide considerable support for the proposition that affect can moderate the impact of decision frame on integrative bargaining. One possible interpretation of this interaction is that, in a loss frame, participants in the positive affect condition felt they had more to lose than control participants: both the possibility of non-agreement and their current positive affective state (see Arkes et al. 1988). When considering possible losses, these people ostensibly focus more on how non-agreement would feel (subjective utility) rather than on its likelihood. This would cause participants to make more concessions to avoid non-agreement. In the case of a gain frame, positive affect may cause negotiators to have greater expectations. They may feel that the subjective likelihood of a favorable outcome in the negotiation is greater. This would lead to more risk prone behavior, i.e., less concession-making. This line of reasoning suggests additional research is needed to examine participants' subjective probabilities of each possible outcome, both before and after negotiation.

Another perspective on mood and cooperation comes from the notion of *mood as input* to goal pursuit (Martin et al. 1993). The idea is simple: goal achievement is associated with positive mood, and not achieving a goal often evokes a negative mood; turning this around, a mood may be a cue to goal achievement. A negative mood may be interpreted as *goal not achieved, do mor*e; a good mood might be interpreted as *goal achieved, stop*, even if the mood is unconnected to the extant goal. This means that mood can increase and decrease cooperation, depending on goal states. Sanna et al. (2003) found some support for this across four experiments, using different implementations of mood and goal, and using both 2- and *n*-person dilemma situations: when the goal was to compete, a positive mood decreased competitiveness; when the goal was to cooperate, a positive mood decreased cooperativeness. Assuming some isomorphism of cooperation (contributions) in a dilemma situation and concessions in negotiation, and assuming a loss frame encouraging a negotiator goal to "resist making concessions," a positive mood may signal goal achieved, which implies greater concessions, as found here. Future work might directly examine mood effects in negotiation in combination with cooperative and competitive negotiator goals, and look as well at frame effects in the context of negative mood.

Thus the study here points to a connection between affect and reference points, and this domain seems ripe for study not only in negotiation but other domains as well. A central concern is the psychological mechanism associated with reference point shifts. Data that directly taps expectations as reference points, for example, would be useful, especially as expectations might relate to other negotiation measures. In addition, from a design perspective, expectations could serve as an independent variable. If affect does impact reference points, which in turn impacts negotiation behavior, as suggested here, an affect manipulation and a manipulation of expectations should interact in the same design (see Carnevale and De Dreu 2006b; and Carnevale and Conlon 1988, for a corresponding experimental design).

In other words, a direct manipulation of reference points might be helpful; in the current study, there was no measure of what reference points negotiators had in mind.

Another direction for future work entails a closer look at the nature of reference points. Here the assumption was for a reference shift upwards. But an alternative account that leads to the same prediction is that under positive affect the *nature* of the reference point shifts. Instead of a focus on individual outcome, under positive affect, the shift may be to a reference point that derives from *collective* outcome and the desire to do well *together*. In this case, loss aversion stems from prospective *collective loss*. That is, people under positive affect may want to avoid joint loss, and this might drive them towards greater cooperation (i.e., concession making, integrative bargaining). This line of reasoning is supported by data that indicate that positive affect can induce altruistic, cooperative behavior in games, shopping malls, and negotiations (Ashby et al. 1999); and data that indicate loss aversion at the group level, a group endowment effect (Carnevale 1995; Ledgerwood et al. 2007). Moreover, pro-social people are more cooperative in a loss rather than gain frame whereas pro-self people are more cooperative in a gain rather than loss frame (Carnevale and Keenan 1990; De Dreu and McCusker 1997). This explanation may also fit better with Isen et al. (1988) finding that positive affect does not lead to a shift in reference points. Regardless, it may be that positive affect and motivational orientation have their effects in negotiation through the same mechanism, and neuroscience data here might be especially interesting.

The reader may question the likelihood of positive affect in negotiations and where it might come from. It may seem unrealistic if not silly to give a bag of candy to a union leader and CEO of a major corporation before they enter negotiations for a labor contract. But positive affect induced by other means, such as use of humor or even the weather (Kliger and Levy 2003), may be more common. Interviews of professional labor mediators indicate that they often use humor as a tactic (Carnevale and Pegnetter 1985). Holding negotiations in a comfortable setting, over a great dinner and soft lights, with a nice Tasmanian pinot noir, may be the ticket to positive affect and success in negotiation.

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