

# The Reality and Myth of Sacred Issues in Negotiations

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## Keywords

negotiations, sacred values,  
protected values, alternatives.

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## Abstract

This article investigates the role of sacred issues in a dyadic negotiation set in an environmental context. As predicted, a focus on sacred issues negatively impacts the negotiation, producing more impasses, lower joint outcomes, and more negative perceptions of one's opponent; however, this is only true when both parties perceive that they have a strong alternative to a negotiated agreement. When negotiation parties perceive that they have weak alternatives, sacred issues did not have any effect on negotiation outcomes or opponent perceptions. These results suggest that the negative effects of sacred issues are driven in part by whether negotiators have recourse; in other words, exercising one's principles and values may depend on whether people can afford to do so. We conclude by suggesting that the impact of certain sacred issues may be contextually dependent and that the term "pseudo-sacred" may actually be a more accurate label for certain contexts.

"Our land is sacred, and not tradable." "Jerusalem is not up for discussion." "As a matter of principle, I will not give that crook a dime!" "Human life cannot be given a dollar value." Each of these statements suggests that the actor places a sacred value on some issue. But, what does sacred mean? One possible answer is that it is a constraint and that the issue is truly not open for discussion. Another possibility is that the claim of sacredness is

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The authors thank Judi McLean Parks and three anonymous reviewers for their helpful comments on an earlier draft of this article.

largely a tactic to claim more utility for the actor's side. A third possibility is that the issue is "pseudo-sacred," sacred under some but not all conditions. What is more clear is that claims of sacredness present a significant challenge to the negotiation process, and directly confront much of the advice that scholars typically use in the teaching side of their lives. In this article, we identify and test a concept related to sacredness, which we refer to as pseudo-sacredness. While the normative demands of sacred values require that sacred issues never be compromised, we argue that sacred issues are sometimes pseudo-sacred, such that they are traded off when necessary but are treated as sacred when the negotiator can afford to stand on principle.

Traditional models of decision-making and negotiations advise individuals to consider trade-offs among the issues so as to maximize overall outcomes. At the core of decision analysis, individuals are encouraged to think through conflicting values, with trade-off considerations seen as necessary to help individuals maximize their outcomes (Hammond, Keeney, & Raiffa, 1999). The same assumption forms the basis of most contemporary advice on becoming a better negotiator. Negotiators are encouraged to know how much they value each issue, and to make trades that create value in the negotiation (Bazerman & Neale, 1992; Lax & Sebenius, 1986; Pruitt & Carnavale, 1993; Raiffa, 1982). For example, even in contentious negotiations such as the Camp David accords, Raiffa (1982) praised Jimmy Carter for persuading Israelis and Palestinians to trade security for sovereignty. Thus, behavioral negotiation theories assume that people are both able and willing to trade issues in ways that maximize their outcomes.

In contrast to these prescriptions, not all issues are up for sale. Some issues are associated with "sacred values" (Tetlock, Peterson, & Lerner, 1996). While values are simply subjective beliefs about the worth of entities, ideas, or behaviors, sacred values (also termed "protected values"; see Baron & Spranca, 1997) are defined as "any value that a moral community implicitly or explicitly treats as possessing infinite or transcendental significance that precludes comparisons, trade-offs, or indeed any other mingling with founded or secular values" (Tetlock, Kristel, Elson, Green, & Lerner, 2000, p. 853). In other words, by definition, sacred values are associated with infinite utility and thus are not able to be compromised (Tetlock et al., 1996; Thompson & Gonzalez, 1997). As a result, the exchange behavior that is typical for negotiable issues is viewed as unacceptable in the domain of sacred values. The protection of one's children, human organs, and health, for example, would be considered by most to be sacred values, for which there is no monetary equivalent. Trade-offs involving such sacred values are considered taboo because they extend a market-pricing model into what many people would consider to be an inappropriate context (Fiske & Tetlock, 1997; Tetlock et al., 2000).

Theorists have identified sacred issues, which are issues for which worth or utility is based on sacred values, as a central barrier to optimizing outcomes in ideologically based negotiations and have recognized the need for empirical work in this area (Wade-Benzoni et al., 2002). In this article, we investigate the impact that sacred values and issues have in a negotiation context, including the effect on negotiation outcomes and perceptions of one's opponent. We also investigate whether and when sacred issues may be in fact "pseudo-sacred," such that contextual factors define the impact that sacred values have. Pseudo-sacred issues are issues that are indeed tied to sacred values, but which negotiators

will trade off under certain circumstances. In other words, a negotiator may view an issue as sacred but may behave as if that issue is not sacred when forced to do so. This behavior manifests itself as the trading off of supposedly “sacred” issues; in such cases, the issues are in fact “pseudo-sacred” rather than sacred. Thus, the issues tied to sacred values may be sacred in some circumstances but pseudo-sacred in others. In the present research, we seek to explore the critical question of when a sacred issue may become a pseudo-sacred issue. Specifically, we develop predictions that the role of sacredness depends significantly on the quality of the parties’ alternatives to an agreement (their best alternative to a negotiated agreement [BATNAs]).

## Theoretical Considerations

At the heart of the behavioral negotiation framework is the assumption that trade-offs are inevitable and desirable. The potential existence of sacred issues, issues that are impervious to comparisons and trade-offs, thus poses a problem for negotiators. If, for example, one refuses to negotiate things such as air quality and yet, negotiating such trades is the only possibility for reaching a solution, then an impasse is inevitable. Behavioral negotiation theories—which focus on agreements over scarce resources with clearly defined and objective values, as well as competing issues and/or situations in which the basic nature of the dispute is understood (Thompson & Gonzalez, 1997)—are not particularly useful for examining negotiations which do not fit these criteria, such as those that are rooted in differences in ideological beliefs (Wade-Benzoni et al., 2002).

Sacred issues, and their corresponding impact, have not gone unnoticed, however. Rapoport’s (1960) distinction between conflicts of interests and conflicts of ideologies was one of the initial forays into this arena. Discussions by Thompson and Gonzalez (1997) and Baron and Leshner (2000) have likewise addressed sacred issues in conflict situations and the potential problems that they pose for negotiators. Tetlock’s (1999) Sacred Value Protection Model (SVPM) provides a conceptual examination of sacred values that may be particularly useful for examining the potential impact of sacred issues in negotiations. The SVPM predicts that threats to sacred values are accompanied by moral outrage which itself is expressed in cognitive, affective, and behavioral components. More specifically, moral outrage is characterized by harsh dispositional attributions toward violators, anger, contempt, and support for the punishment of violators. For example, Tetlock et al. (2000) found that, in comparison to participants who considered routine trade-offs such as paying someone to clean their house, participants who are asked to consider trade-offs involving ostensibly sacred issues, such as the buying and selling of human body parts, expressed more anger, were more likely to hold negative attributions of someone who would permit this type of trade-off, and were also more willing to sever contact with this type of individual. In a negotiation context, we expect that such a reaction will have direct effects on negotiator outcomes as well as on perceptions of one’s opponent.

One component of moral outrage that is likely to affect the negotiation process is the harsh negative emotions experienced by the person who feels that their sacred values are in danger of being violated (Tetlock et al., 2000). Baron and Spranca (1997) find evidence that people experience anger when asked to trade off issues that are tied to

their sacred values. Such an emotional reaction has the potential to negatively influence the negotiation process. Negotiators experiencing negative emotions such as anger achieve fewer joint gains than negotiators who experience more positive emotions (Allred, Mallozzi, Matsui, & Raia, 1997). In addition, high levels of emotional stress may impair decision-making processes and thereby produce incomplete and defective decisions (Janis & Mann, 1977). Moreover, Fisher, Ury, and Patton (1981) warn that such emotions may quickly bring a negotiation to a standstill, resulting in an unnecessary impasse or an abrupt end to the process.

Further exacerbating the potential problems for negotiation processes is the lack of flexibility that has been connected with situations involving threats to sacred values. Within the SVPM framework, Tetlock et al. (2000) argue that threats to sacred values are accompanied by rigidity and a refusal to contemplate particular thoughts. Thompson and Gonzalez (1997) similarly assert that sacred values may invoke an uncompromising strategy. Baron and Spranca (1997) also suggest that the presence of sacred values may increase the likelihood that hard bargaining strategies are utilized. A focus on sacred values may thus be accompanied by a lack of flexibility (Guilford, 1959, 1967). This creates a potential problem for negotiators given that flexibility has been identified as one of the key ingredients for creativity, and successful negotiations arguably require creativity to facilitate problem solving (Fisher et al., 1981). It appears that the negative onslaught of emotion coupled with the rigid approach that accompanies threats to sacred values may serve as obstacles to achieving such success. We therefore propose that:

*Hypothesis 1a:* A focus on sacred values will increase the likelihood of impasse.

*Hypothesis 1b:* A focus on sacred values will reduce the quality of negotiation outcomes.

Past research has suggested that in addition to influencing behavior, a focus on sacred values will influence perceptions of one's opponent. Tetlock (1999) suggests that individuals engage in a form of "moral cleansing" that allows them to distance themselves from threats to sacred values. Such moral cleansing is argued to perform two roles: one, to convince oneself that one is morally worthy and, two, to reinforce the external moral order. Outrage toward violators—expressed in negative perceptions of such people, including harsh dispositional attributions, contempt, and even disgust—is useful for accomplishing these objectives. Holding such perceptions allows negotiators to distance themselves from sacredness violators, which in turn performs a moral cleansing function. We therefore predict that:

*Hypothesis 1c:* A focus on sacred values will heighten negative perceptions of one's opponent.

If we accept the definition that sacred values are those for which trades are not acceptable (Tetlock et al., 1996), then the hypothesized effects should be unaffected by situational factors. In other words, sacred issues should be held as sacred under all conditions. It is possible, however, that this is in fact not the case. We argue that under certain circumstances, sacred issues may be pseudo-sacred (Bazerman, Gillespie, & Moore, 1999; Thompson & Gonzalez, 1997).

We are not alone in our supposition. Tetlock et al. (1996) argue that the social context is at least partially responsible for the designation of certain attributes as sacred. People are seen as construing a complicated set of “superficial ad hoc” constraints in the formulation and execution of trade-offs (Tetlock et al., 2000). In this sense, sacred issues may be contextually defined such that trade-offs involving sacred values might actually be acceptable when presented in the appropriate context (Thompson & Gonzalez, 1997). Thompson and Gonzalez assert, for example, that the presence of referent groups that are associated with certain values could influence the likelihood that a certain issue is deemed as sacred. Sociocultural norms and the labels used to identify conflicts were also argued to be factors that impact the sanctity of issues.

Whereas people would perhaps like to believe that certain issues are sacred and not pseudo-sacred, this belief may be more idealistic than it is realistic. In reality, people seem to make trade-offs on sacred issues all the time. People cannot spend an infinite amount of money protecting the environment or saving lives, necessitating that the sacred values of protecting the environment or saving lives be traded off for time and money at some level (Baron & Leshner, 2000). In an empirical investigation of sacred values, Baron and Leshner (2000) identified the factors that might lead people to make trades involving sacred issues. Their results support the notion that the sacredness of issues is not stable, but rather depends on the situation. They found that trade-offs of sacred issues were more likely when individuals were asked to come up with examples of cases in which the benefit from violating the sacred value would outweigh the costs. Baron and Leshner (2000) also found that trade-offs involving sacred issues depended on the magnitude and probability of the violation of the sacred value. For example, the distribution of a genetically engineered wheat product was deemed more acceptable when the probability of harm was 1 in 100,000 than when the probability was 1 in 10.

The situation may therefore determine the extent to which sacred values impact negotiation outcomes and opponent attributions. We assert that in a negotiation, one's BATNA is a key situational factor that influences the degree to which sacred values will impact the negotiation. More specifically, we believe that a focus on sacred values is more likely to have an impact on outcomes and opponent perceptions when a negotiator possesses a strong rather than a weak BATNA.

A negotiator's BATNA is a significant source of power in a negotiation (Fisher et al., 1981; Lewicki & Litterer, 1985; Mannix & Neale, 1993; Pinkley, Neale, & Bennett, 1994; Raiffa, 1982). Negotiators with strong alternatives are more powerful than those with weaker alternatives because those with strong alternatives can walk away from the negotiation table if a proposed deal is not better than their alternative (Pinkley et al., 1994). It has been found, for example, that negotiators with a strong alternative feel less of a sense of urgency and less of a need to make concessions (Mannix & Neale, 1993). Thus, negotiators with a strong alternative are less motivated to reach an agreement than those who possess a weak alternative. Possessing a relatively weak alternative implies that impasse is not particularly attractive; hence, individuals are more likely to concede in order to avoid walking away from the negotiation table without an agreement.

Based on these findings, we argue that the effects induced by a focus on sacred values will depend on the value of one's alternative. When reaching an impasse is relatively

attractive to a negotiator, a focus on sacred issues should have a relatively greater effect than when reaching an impasse is relatively unattractive. In the former case, individuals can afford to adhere to the sacredness of their values because they can more easily walk away from the table and therefore will not feel forced to make trade-offs. When individuals have a weak alternative, however, they are faced with a situation in which they have either to violate the sacredness of the value (by trading off on the sacred issue tied to that value in the context of the negotiation), or they must accept their weak alternative, resulting in a low or even negative outcome on the sacred issue that is tied to that value. In this sense then, a weak alternative produces a situation in which the effects of the sacredness of the value are mitigated by the desire to reach a solution that maximizes utility on the dimension(s) or issue(s) of relevance to that value. In such circumstances, negotiators may view their alternatives to a negotiated agreement to be even more threatening to their sacred values than a concession on the issues related to those values. We therefore predict an interaction between focus on sacred issues and a negotiator's BATNA such that:

*Hypothesis 2a:* When negotiators have a strong BATNA, a focus on sacred issues will produce a higher impasse rate than will a lack of focus on sacred issues; when negotiators have a weak BATNA, a focus on sacred issues will not significantly impact the impasse rate.

*Hypothesis 2b:* When negotiators have a strong BATNA, a focus on sacred issues will be more likely to reduce negotiator outcomes than will a lack of focus on sacred issues; when negotiators have a weak BATNA, a focus on sacred issues will not significantly impact negotiator outcomes.

*Hypothesis 2c:* When negotiators have a strong BATNA, a focus on sacred issues will result in more negative perceptions of one's opponent than will a lack of focus on sacred issues; when negotiators have a weak BATNA, a focus on sacred issues will not significantly impact perceptions of one's opponent.

In addition to situational features, we also argue that the degree of individual extremism will moderate the impact of sacred values. It has been found that the effect of sacred values is influenced by the ideology of the individual. Tetlock et al. (2000) demonstrated, for example, that manipulating the order of presentation between judgments of tradeoffs and requests for volunteering on behalf of a sacred value had a greater impact on mainstream groups than on extreme groups. These findings suggest that extremists may be subject to a ceiling effect, such that they are less influenced by manipulations involving sacred values than individuals who are more mainstream or moderate with regard to the those values. For extremists, the salience of sacred values may be ever present, whereas moderates may only be inclined to focus on sacred values when the situation requires such focus. If this is true, then moderates would be more susceptible to a sacred manipulation than extremists. We therefore predict that a focus on sacred issues and the degree of extremism will interact, such that:

*Hypothesis 3a:* A focus on sacred issues will be more likely to increase the likelihood of impasse when a negotiator has moderate rather than extreme beliefs.

*Hypothesis 3b:* A focus on sacred issues will be more likely to reduce negotiator outcomes when a negotiator has moderate rather than extreme beliefs.

*Hypothesis 3c:* A focus on sacred issues will result in more negative perceptions of one's opponent when a negotiator has moderate rather than extreme beliefs.

These hypotheses were tested using an environmental negotiation context. Past research has documented that sacred values are seen as an inherent component of environmental negotiations (Thompson & Gonzalez, 1997; Wade-Benzoni et al., 2002). Environmental negotiations are difficult, involving both limited resources and individuals' core ideological beliefs. It is therefore important that research attention is directed to furthering our understanding of such complex negotiations, not only because of their societal significance but also because of the difficulties that negotiators face in such situations.

## Methods

### Participants and Task

Two hundred and twelve graduate business students enrolled in negotiations classes participated in the study as part of a class exercise. These students were given a case to prepare and negotiate during a class session. Following the negotiation, participants were asked to complete a postnegotiation questionnaire prior to filling out an agreement summary form that detailed their outcomes. Once all students had completed the exercise, results were posted and the case was debriefed.

The case, "The Great Mesa," involved two parties engaged in an environmental dispute: Land Loggers, Inc. and the Dakota Tribe. Land Loggers, a 150-year-old lumber company, had recently purchased the right to harvest 100,000 sugar pine trees located in four groves found in an area known as The Great Mesa. The Dakota Native American Tribe, the oldest continuous residents in the Great Mesa, was opposed to any type of foresting. The Dakota Tribe viewed The Great Mesa as sacred land that should not be destroyed. Land designated as sacred was believed by the Dakota Tribe to be an epicenter of the health and well-being of all members of nature. Any changes to this balance, such as the harvesting of trees on sacred land, was viewed as disrupting the desired balance and consequently having an extremely negative effect on the tribal members at large.

Participants were told that a representative from Land Loggers and a representative from the Dakota Tribe had agreed to meet to see if the situation could be resolved. As preparation for this meeting, both parties were informed that there were several issues that were to be included in the discussion: the number of groves harvested, the harvesting method, and the number of educational facilities that Land Loggers would sponsor. The first issue, the number of groves harvested, was the most important issue to both parties. Land Loggers wanted to harvest all four groves whereas the Dakota Tribe did not want any groves to be harvested. The second issue, harvesting method, involved the method by which trees would be cut down. Participants were told that while it was not

possible to selectively harvest sacred versus non-sacred trees as it was the community of trees that makes a land sacred, there were two different methods of harvesting the trees within the sacred land. Clear-cutting, which was preferred by Land Loggers, involved harvesting all possible trees within a grove. Sustainable harvesting, preferred by the Dakota Tribe, referred to selective harvesting in which only the most valuable trees were harvested. The third issue, educational facilities, referred to the number of educational facilities that Land Loggers would provide to the Dakota Tribe. The Dakota Tribe preferred that Land Loggers sponsor four educational facilities whereas Land Loggers preferred not to sponsor any. Each side received confidential role materials explaining their preferences on each issue and a summary scoring sheet for all of the issues. A copy of the scoring sheet for each party is provided in Table 1. As Table 1 indicates, different metric systems for Land Loggers and the Dakota Tribe (\$ and points, respectively) were used. The difference in the currency for the two scoring systems was used to capture the essence of the intuitive frames of the two parties and to make it difficult for parties to move out of roles and simply divide the outcomes equally.

**Independent Variables**

Combined, the hypotheses are centered on three independent variables. The first, SACRED, manipulated whether individuals were focused on sacred values. All participants were asked to complete a prenegotiation essay after reading the case but prior to the meeting with the other party. The focus of this essay constituted the SACRED manipulation. Individuals were placed into two conditions: *sacred* and *control*. Individuals in the *Sacred condition* were given the following information: “Many conflicts are rooted in a negotiation over principles and values. In thinking about this negotiation,

Table 1  
*Issue Summary*

	Land Loggers (\$)	Dakota (points)
Groves harvested		
0	\$0	0
1	\$1,000,000	-800
2	\$2,000,000	-1,600
3	\$3,000,000	-2,400
4	\$4,000,000	-3,200
Harvesting method		
Clear cutting	Multiplier = 1.00	Multiplier = 1.00
Sustainable harvesting	Multiplier = .75	Multiplier = .60
Educational facilities		
0	\$0	0
1	-\$200,000	400
2	-\$400,000	800
3	-\$600,000	1,200
4	-\$800,000	1,600

reflect on the principles that are central to this situation. In the space below, describe the key principles and convictions that will govern your approach in the actual negotiation. Furthermore, think about the issues in this negotiation. Is there one issue that you feel is critical in this negotiation? If so, please clarify the special importance of this issue. Be as passionate as you can." In the *Control condition*, individuals were informed of the following: "In preparation for the meeting, write a paragraph outlining how you will approach this negotiation."

The second independent variable was the BATNA of the two parties. Individuals were told that they had either a strong or a weak BATNA. Negotiators in the Land Logger role were informed of the following: "If you do not reach an acceptable agreement, you see your only possible option as going to court. You legally purchased the rights to harvest The Great Mesa and do not want to set a precedent in which Land Loggers is viewed as a company that backs down. On the other hand, you recognize the risks of litigation, including time, effort and possible damage to your reputation. You estimate that if you win in court, you will realize \$2,000,000, which includes \$4,000,000 in profit from the land minus \$2,000,000 in court fees. If you lose, however, you estimate that you will be \$2,000,000 in the hole, reflecting the \$2,000,000 in litigation fees and the inability to reap any profit off the land. Thus, the monetary outcome associated with going to court depends on the estimated probability of losing." In the strong BATNA condition, Land Loggers were told that they felt they had only a 25% chance of losing, resulting in a BATNA valued at \$1,000,000. In contrast, in the weak BATNA condition, Land Loggers were told that they had a 75% chance of losing, resulting in BATNA valued at -\$1,000,000.

Negotiators in the Dakota Tribe were provided with similar information about their alternative. They were told that: "If you do not reach an acceptable agreement, you see your only possible option as going to court. You estimate that even if you win in court, you will save the trees but incur some litigation costs. Given that some of these litigation costs will be financed from non-profit organizations, you estimate that if you go to court you will incur a loss of 200 points in litigation costs, independent of the outcome of the trial. If you lose, however, you estimate that you will also incur a loss of 3,200, which reflects the ability of Land Loggers to harvest the land in an unconstrained fashion. Thus, the cost of going to court includes the 200 points in litigation fees plus the estimated probability that you will lose multiplied by the cost of losing." Dakota Tribe negotiators with a strong BATNA were told that they felt there was only a 25% chance of losing, resulting in a BATNA valued at -1,000 points. Conversely, in the weak BATNA condition, Dakota negotiators were told that there was a 75% chance of losing, resulting in a BATNA valued at -2,600 points. In a given dyad, negotiators in both roles were in the same BATNA condition (strong or weak), such that a Land Logger with a strong BATNA was paired with a member from the Dakota Tribe with a strong BATNA and a Land Logger with a weak BATNA was paired with a member from the Dakota Tribe with a weak BATNA.

The third independent variable, EXTREMISM, was the degree of extremism of the participant. Several weeks prior to the negotiation, individuals were asked to complete a questionnaire on their environmental attitudes. The questionnaire asked participants the following questions: (a) in disputes between business and environmental interests, which

do you view as more important? (answers were on a 6-point scale with 1 = business interests more important and 6 = environmental interests more important.); (b) in disputes between jobs and environmental interests, which do you view as more important? (answers were on a 6-point scale with 1 = jobs are more important and 6 = environmental interests are more important.); (c) in your opinion, do you think current governmental policies are overly concerned with environmental issues or with economic issues? (answers were on a 6-point scale with 1 = government is overly concerned with environmental issues and 6 = government is overly concerned with economic issues). Extremism was determined by creating a scale from the combined responses to these three questions ( $\alpha = .81$ ). Using a median split, individuals who had scores in the upper half were placed into the environmentalist category and individuals whose scores fell in the lower half of the range were categorized as economists. To enhance the degree of generalizability, individuals were assigned to the role in which they would be more naturally aligned in the real world such that environmentalists were assigned the role of the Dakota Tribe and economists the role of Land Loggers. Within each role, individuals were again subdivided into extremists (high scores for Dakota role, low scores for Land Logger role) and moderates using a median split.

## Dependent Variables

The hypothesized effects focused on three classes of dependent variables: agreement/impasse, value of negotiation outcomes, and perceptions of one's opponent. Agreement/impasse and value of negotiation outcomes were derived from the agreement summary form that negotiators completed after their negotiation. Likelihood of agreement referred to whether an impasse had occurred or not. The value of the negotiation agreement was measured at both the individual and dyadic level. The use of different metric systems for Land Loggers and the Dakota Tribe (\$ and points, respectively), which we felt to be realistic, necessitated a transformation of outcomes to the same metric system\*. Individual outcomes were based on the transformation of outcomes and reflected the combined total of the issues that had been agreed upon (or the value assigned to one's alternative if an impasse had occurred). Joint outcomes, measured at

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\*The transformation was accomplished in the following manner. First, the very best outcome and the very worst outcome for both parties were identified. For Land Loggers, the best outcome was worth \$4,000,000 (four groves, clear cutting, and 0 educational benefits) and the very worst outcome was worth -\$800,000 (0 groves, either method, and four educational facilities); for the Dakota tribe, the very best resolution was worth 1,600 points (0 groves, either method, four educational facilities) and the very worst resolution was worth -3,200 points (four groves, clear cutting, and 0 educational facilities). The spread between the best and worst outcomes for each party was then identified to be equal to \$4,800,00 and 4,800 points. Assigning one point to equal \$1000, transformed outcomes for Land Loggers was accomplished by adding \$800,000 to Land Logger values and transformed outcomes for the Dakota Tribe was accomplished by multiplying total points by \$1,000 and adding \$3,200,000. These adjustments transform the results into one in which each party has potential outcomes ranging from \$0 to \$4,800,000. The linearity of this transformation keeps all parties making the same trade-offs across issues and is correlated 0.95 with other methods of calculating efficiency in dyadic negotiations (see Clyman, 1995; Tripp & Sondak, 1992).

the dyadic level, were determined by summing the value of the individually transformed outcomes.

Opponent perceptions were gathered at the individual level by the responses to the postnegotiation questionnaire. These were grouped into three categories: attributions about the other side, affective reactions to the other party, and expectations about the degree of issue compatibility with the other party. To measure attributions about the other party, individuals were provided with a list of adjectives—self-righteous, even-handed, proud, determined, cooperative, unrelenting, and rational—and asked to circle all that characterized the other party's approach in the negotiation. To measure affective reactions, individuals were asked to rate on a 7-point scale the degree to which they liked their opponent, thought their opponent was credible, and believed that their opponent was radical (1 = not at all; 7 = very much so). To measure the degree of compatibility with one's opponent, participants were asked to indicate on a 7-point scale the extent to which they felt they had compatible goals with their opponent (1 = not at all; 7 = very much so).

## Results

Analyses of the hypotheses were all based on a model which included the three independent variables: SACRED, BATNA, and EXTREMISM. Hypotheses 1a, 2a, and 3a, which focused on the factors contributing to likelihood of impasse, were analyzed utilizing an exact logistic regression with these three independent variables. Exact logistic regression was necessary for two reasons. First, when the number of either ones or zeroes is small, coefficient estimates in logistic regression are biased (King & Zeng, 2001). Furthermore, in the case where a linear combination of predictor variables perfectly predicts either one or zero, the usual estimation procedure, based on maximum likelihood, fails (Hosmer & Lemeshow, 2000; section 4.5). Exact logistic regression is an estimation procedure that avoids both the bias and failed estimation problems. The theory is presented by Cox and Snell (1989, chapter 2). Briefly, a *p*-value is calculated by determining the proportion of permutations of the data that would generate a distribution of outcomes at least as extreme as the observed outcome. The *p*-value for each parameter estimate is calculated conditional on the estimated value for the other parameters. Because the possible number of permutations can be extremely large, special algorithms are necessary to calculate the estimates for most problems (Hirji, Mehta, & Patel, 1987). We used the implementation in the LOGISTIC procedure in SAS (SAS Institute Inc., 2004). Because exact logistic regression is based on counting permutations, the usual test statistics, based on *z* or chi-squared distributions, are not calculated, so for models where we used exact logistic regression, we report only the coefficient estimates and *p*-values.

The results of this analysis revealed a significant SACRED  $\times$  BATNA interaction (coefficient estimate =  $-.528$ , mid  $p < .05$ ; see Figure 1). There were significantly more impasses in the sacred condition than in the control condition when negotiators had a strong BATNA [21%,  $SD = .41$  Sacred vs. 4%,  $SD = .19$  Control,  $F(1, 51) = 3.91$ ,  $p < .05$ ]. On the other hand, when negotiators had a weak BATNA, there were no significant differences in the impasse rate between the two conditions [0%,  $SD = 0$  Sacred vs. 8%,  $SD = .28$  Control,  $F(1,50) = 2.36$ , n.s.]. The direct effects for SACRED

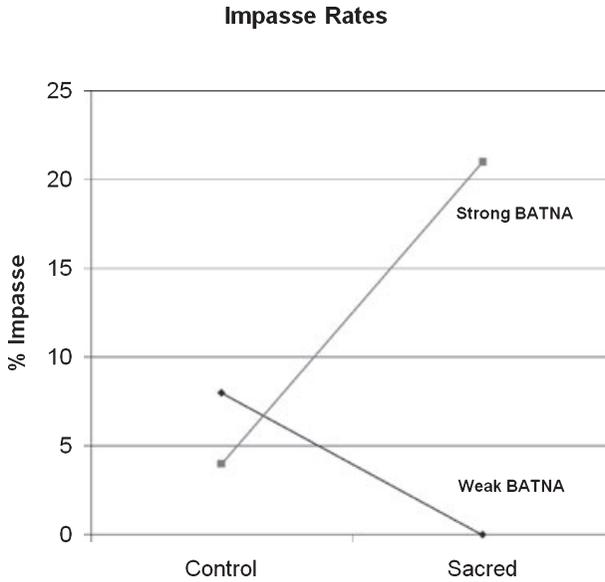


Figure 1. Impasse rates.

(coefficient estimate = .338) and BATNA (coefficient estimate = -.133) were not significant. Thus, hypothesis 2a was supported but hypotheses 1a and 3a were not.

Hypotheses 1b, 2b, and 3b, which centered on the factors influencing the value of negotiation outcomes, were analyzed at both the dyadic and individual level. An ANOVA which examined the impact of the three independent variables on joint outcomes revealed a significant SACRED  $\times$  BATNA effect [ $F(1, 103) = 5.21, p < .05$ ; see Figure 2]. When negotiators had a strong BATNA, a focus on sacred values produced a significant decrease in joint outcomes as compared to negotiators with a strong BATNA in the control condition [ $M = 5.20, SD = .6955$  Sacred vs.  $M = 5.57, SD = .3905$  Control,  $F(1, 103) = 5.61, p < .05$ ]. In contrast, when negotiators had a weak BATNA, focusing on sacred values produced no difference in joint outcomes between the two conditions [ $M = 5.48, SD = .3352$  Sacred vs.  $M = 5.10, SD = 1.4616$  Control,  $F(1, 103) = 1.75, n.s.$ ]. An analysis of negotiators' individual outcomes revealed a significant SACRED  $\times$  BATNA interaction [ $F(1, 206) = 4.750, p < .05$ ]. Inspection of the means, however, did not indicate any significant differences between the sacred and control conditions within the strong and weak BATNA conditions [strong BATNA:  $M = 2.61, SD = .5384$  Sacred vs.  $M = 2.79, SD = .4329$  Control,  $F(1, 103) = 3.56, n.s.$ ; weak BATNA:  $M = 2.74, SD = .5454$  Sacred vs.  $M = 2.55, SD = .8461$  Control,  $F(1, 103) = 1.88, n.s.$ ]. Thus, hypothesis 2b was supported but hypotheses 1b and 3b were not.

Hypotheses 1c, 2c, and 3c concerned the factors that affected perceptions of one's opponent. To analyze attributions of one's opponent, a MANOVA was conducted with the three independent factors as independent variables and with the individual perceptual items as dependent variables. An examination of the univariate effects suggested a signifi-

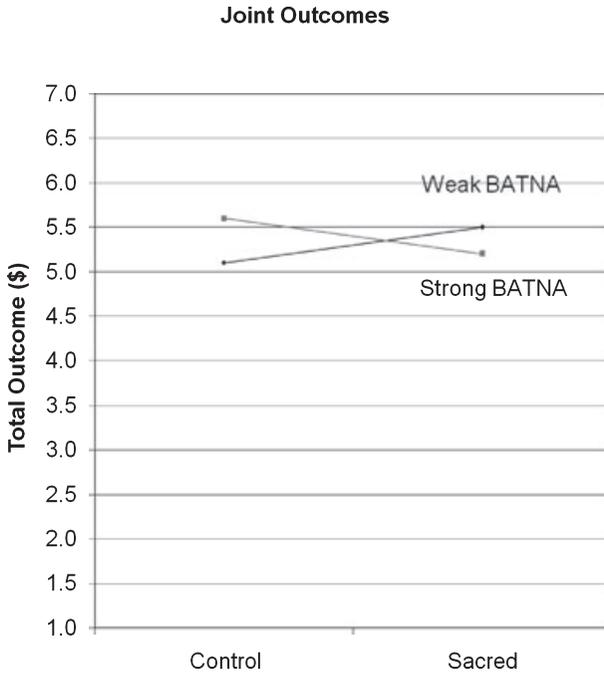


Figure 2. Joint outcomes.

cant direct effect of BATNA for perceptions of the negotiation partner as unrelenting [ $F(1, 206) = 5.71, p < .05$ ], such that individuals who possessed a strong BATNA were more likely to indicate their opponent was unrelenting (99%,  $n = 104, SD = .63$ ) than individuals who had a weak BATNA (79%,  $n = 102, SD = .53$ ). There were no other significant effects concerning attributions of one’s opponent.

Analysis of affective reactions was accomplished via a MANOVA with credibility, liking, and assessments of the opponent’s radical approach entered as the dependent variables and SACRED, BATNA, and EXTREMISM entered as the independent variables. Descriptive statistics and intercorrelations for the affective reaction variables, as well as the measure of compatibility, are provided in Table 2. An inspection of the

Table 2  
Descriptive Statistics and Intercorrelations for Affective and Compatibility Measures

	Mean	SD	1	2	3
1. Liking	4.3309	1.30827			
2. Credibility	4.4976	1.10108	.598*		
3. Radicalism	3.3623	1.19022	-.388*	-.268*	
4. Compatibility	2.6763	1.33895	.350*	.195*	-.112

Note. \*Correlation is significant at the .01 level.

univariate tests revealed a main effect for BATNA on credibility, liking, and assessments of the opponent's radical approach, such that individuals were less likely to think their opponent was credible, less likely to like them, and more likely to think they were radical in the strong versus weak BATNA conditions [credibility:  $M = 4.28$ ,  $n = 104$ ,  $SD = 1.07$  Strong vs.  $M = 4.72$ ,  $n = 102$ ,  $SD = 1.09$  Weak,  $F(1, 206) = 9.12$ ,  $p < .01$ ; liking:  $M = 4.04$ ,  $n = 104$ ,  $SD = 1.39$  Strong vs.  $M = 4.62$ ,  $n = 102$ ,  $SD = 1.16$  Weak,  $F(1, 206) = 11.07$ ,  $p < .001$ ; radical:  $M = 3.71$ ,  $n = 104$ ,  $SD = 1.13$  Strong vs.  $M = 3.00$ ,  $n = 102$ ,  $SD = 1.15$  Weak,  $F(1, 206) = 19.31$ ,  $p < .001$ ]. Inspection of the univariate tests further revealed a significant BATNA  $\times$  SACRED interaction for credibility, liking, and radical assessments [ $F(1, 206) = 7.10$ ,  $p < .01$ ;  $F(1, 206) = 4.62$ ,  $p < .05$ ;  $F(1, 206) = 4.20$ ,  $p < .05$ , respectively]. These interactions revealed that the sacred manipulation had a larger impact on these variables when individuals had a strong alternative than when they had weak alternative. Additional analysis provided further support, revealing that the differences in credibility and liking between the sacred and control condition were significantly different in the strong BATNA condition [credibility:  $M = 4.00$ ,  $n = 49$ ,  $SD = 1.04$  Sacred vs.  $M = 4.53$ ,  $n = 55$ ,  $SD = 1.05$  Control,  $F(1, 103) = 6.58$ ,  $p < .05$ ; liking:  $M = 3.77$ ,  $n = 49$ ,  $SD = 1.26$  Sacred vs.  $M = 4.29$ ,  $n = 55$ ,  $SD = 1.46$  Control,  $F(1, 103) = 3.81$ ,  $p < .05$ ] but that these differences were not significant in the weak BATNA condition [credibility:  $M = 4.83$ ,  $n = 54$ ,  $SD = 1.04$  Sacred vs.  $M = 4.58$ ,  $n = 48$ ,  $SD = 1.15$  Control,  $F(1, 103) = 1.33$ , n.s.; liking:  $M = 4.72$ ,  $n = 54$ ,  $SD = 1.16$  Sacred vs.  $M = 4.50$ ,  $n = 48$ ,  $SD = 1.17$  Control,  $F(1, 103) < 1$ , n.s.]. The interactions for liking and credibility are shown in Figures 3 and 4, respectively. As these interactions reveal, when individuals had a strong alternative, a focus on sacred values led to more negative affective reactions to one's opponent than the control condition, such that individuals with a strong BATNA were less likely to like their opponents and less likely to think they were credible when they were in the sacred rather than in the control condition; however, the sacred manipulation did not have any significant effect on these perceptions when negotiators had a relatively weak alternative. The difference in radical assessments between the sacred and control conditions was not significant in either the strong or weak BATNA conditions [Strong BATNA:  $M = 3.84$ ,  $n = 49$ ,  $SD = 1.34$  Sacred vs.  $M = 3.60$ ,  $n = 55$ ,  $SD = .89$ ,  $F(1, 103) = 1.14$ , n.s.; Weak BATNA:  $M = 2.80$ ,  $n = 54$ ,  $SD = 1.16$  Sacred vs.  $M = 3.23$ ,  $n = 48$ ,  $SD = 1.12$  Control,  $F(1, 103) = 3.68$ , n.s.].

Analysis of the degree of perceived goal compatibility revealed a similar pattern. More specifically, an ANOVA with the three independent variables revealed a significant [ $F(1, 206) = 5.04$ ,  $p < .05$ ] SACRED  $\times$  BATNA interaction (depicted in Figure 5). When negotiators had a strong alternative, those focused on sacred values had a significantly lower perception of compatibility with the other side than did those in the control condition [ $M = 2.18$ ,  $n = 49$ ,  $SD = .99$  Sacred vs.  $M = 2.87$ ,  $n = 55$ ,  $SD = 1.33$  Control,  $F(1, 103) = 8.25$ ,  $p < .01$ ]. When individuals had a weak alternative, however, there were no significant differences in compatibility assessments between the sacred and control conditions [ $M = 2.87$ ,  $n = 54$ ,  $SD = 1.48$  Sacred vs.  $M = 2.75$ ,  $n = 48$ ,  $SD = 1.41$  Control,  $F(1, 103) < 1$ , n.s.]. Thus, hypothesis 2c was supported for affective

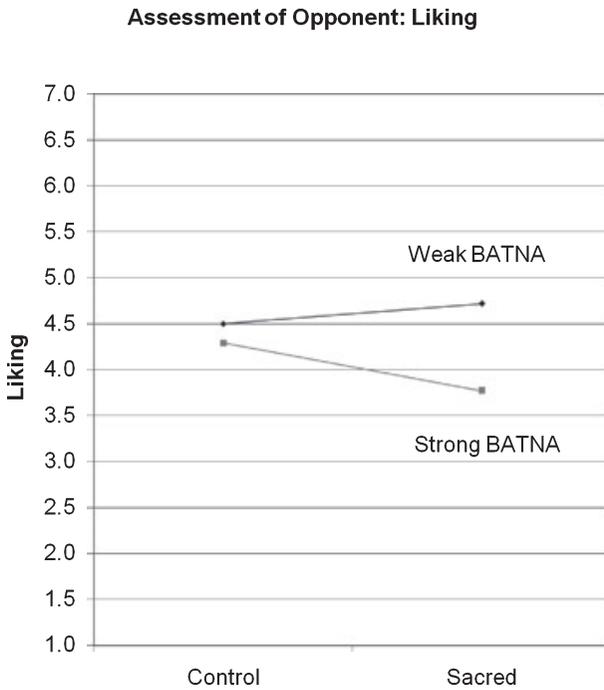


Figure 3. Liking of opponent.

reactions and compatibility assessments but not for attributional characterizations. Hypotheses 1c and 3c were not supported.

### Discussion

Our examination of sacred issues reveals a fairly consistent pattern. A focus on sacred issues has a negative effect on negotiations when negotiators have an attractive alternative. Negotiators focused on sacred issues who possessed a strong alternative had more impasses, reduced joint outcomes, reduced perceptions of compatibility, and more negative affective reactions toward their opponents than negotiators with a strong alternative who were not focused on sacred issues; however, when negotiators had a weak outside option, there were no significant differences in outcomes, likelihood of agreement, or perceptions of one’s opponent between those focused on sacred issues and those not focused on sacred issues. In the strong alternative condition, the results thus provide empirical support for the arguments of those who have linked sacred values with negative implications (Thompson & Gonzalez, 1997). However, the lack of any difference between the sacred and control conditions in the weak alternative condition suggests that when walking away from the table is a relatively unattractive option, a focus on sacred issues does not produce any noticeable impact. This pattern of data

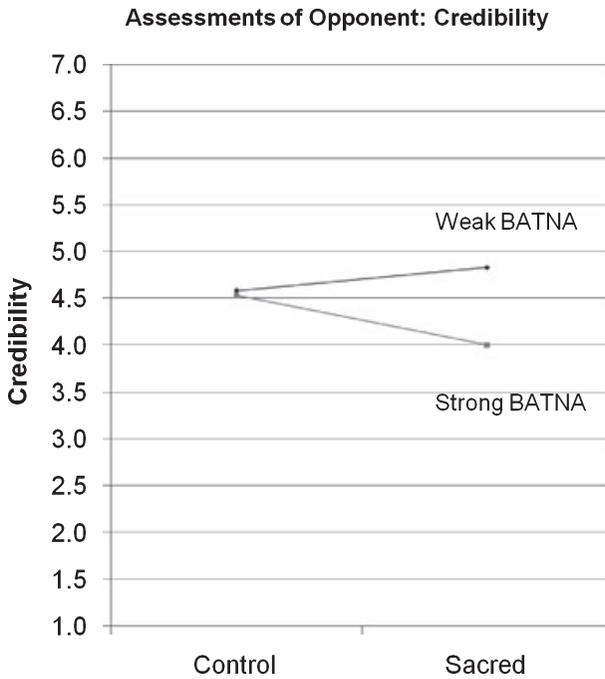


Figure 4. Assessment of opponent’s credibility.

implies that people will be more likely to uphold the sanctity of their values when they can afford to do so. However, when individuals are forced to choose between upholding the sanctity of their values (by refusing trade-offs) and maximizing their outcomes on dimensions relevant to those values (by making trade-offs), they are more likely to make trade-offs.

This pattern of results thus identifies a contingent factor (one’s alternative) that limits the boundaries of theoretical propositions concerning sacred issues. In addition, at a more conceptual level, it suggests that the term “pseudo-sacred” may be a more appropriate characterization than “sacred” for some principled positions. If such issues were truly sacred, then the impact of focusing on them should be consistent, independent of the attractiveness of one’s alternative. The fact that there are inconsistencies in the impact of sacred issues, with the impact depending on a structural factor such as one’s BATNA, confirms that the issues tied to sacred values are sometimes pseudo-sacred.

The data also indicate that the amount of environmental extremism did not impact the pattern of results. Extremists and moderates alike exhibited the same general pattern, whereby a focus on sacred issues produced negative outcomes and perceptions when negotiators had a strong alternative but did not have a significant impact when negotiators had a weak alternative. Surprisingly, these results suggest that the sacredness construct may be malleable even for those who hold relatively more extreme views.

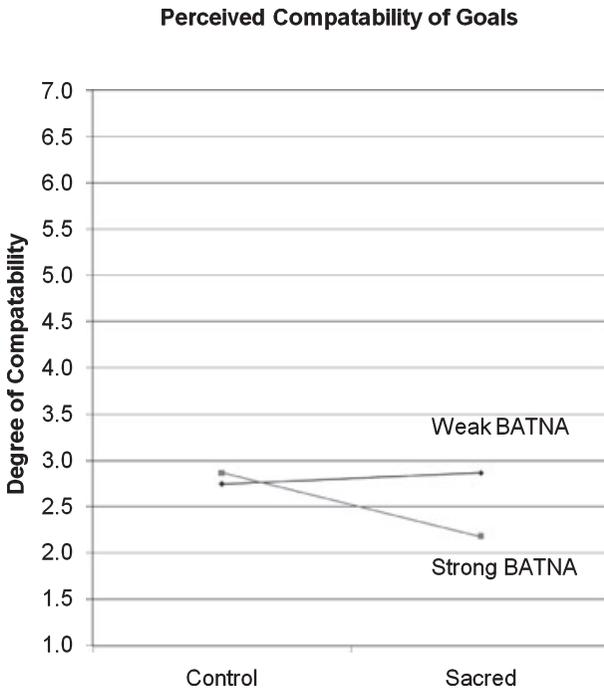


Figure 5. Perceived compatability of goals.

The interpretation of these results should consider the limitations of the study. Participants were taking a negotiation class and thus may have approached the case with a negotiation frame of reference and felt a demand characteristic to negotiate. It is also possible that students engaged in a role play exercise would tend to feel more detached from the issues than would individuals engaged in a real world negotiation. If this is so, then it is likely that impasse rates would be higher in a real world setting.

Furthermore, while participants did vary in their responses to the environmental questionnaire, it is unclear to what degree the amount of extremism exhibited in this sample was congruent with that which might be observed in the general population. If the sample used in this study is more homogenous than the general public, as is suspected to be the case, then our test of extremism is somewhat weak and should be replicated using participants who are more extreme in their views.

### Conclusion

The study exposes both the reality and the myth of sacred values. The reality is that sacred values impact negotiation outcomes and perceptions of one’s opponent. The myth is that this impact is constant and unchanged by contextual factors. Rather, our investigation suggests that when the risk is low (i.e., when there are attractive alternatives), people can “afford” to act on principle. In this situation, a focus on sacred values

negatively impacts the negotiation. However, when risk is high (i.e., when there are poor alternatives), then people are not able to act on principle as easily and therefore a focus on sacred values does not negatively impact the process.

These findings have important empirical, practical, and normative implications. Empirically, the study provides a test of the more general assertion made about sacred issues in negotiation situations—namely, that sacred issues hinder the negotiation process. The fact that this finding is qualified, however, by the strength of one's alternative is critical. Future research should investigate the reasons surrounding this pattern of results. It may be that sacred values increase the motivation and cognitive energy of negotiators, reducing the likelihood of sacrificing and increasing the probability that an acceptable solution will be found. For negotiators with a strong alternative, however, this motivation may be mitigated by a reduced sense of urgency to find an attractive deal. Questions about the actual source of influence regarding the BATNA manipulation are also raised by this study. Given that both negotiators were in the same alternative condition (i.e., they both had either a strong or they both had a weak alternative), it is unclear whose alternative is responsible for the findings or whether it is a combination of both. In other words, is it when I have a strong versus weak alternative that I am likely to be more influenced by sacred issues or is it when my opponent has a strong versus weak alternative that such issues have their impact? Or, is it the case that we both must have relatively equal alternatives in order for the negotiation process and ensuing outcomes to be affected?

A further issue for future research is the extent to which the context determines the sacredness of principled issues beyond that which is examined in this article. It may be that there are some issues that are sacred regardless of one's alternative. It is also highly likely that contextual features other than one's alternative influence the impact that sacred issues have.

It would also be useful to investigate more directly the role that emotion plays in explaining the results, particularly in light of the observed interaction between the strength of the alternative and the effect of a focus on sacred issues. It is possible, for instance, that negotiators with strong alternatives experience a different degree or valence of emotion when sacred issues arise than do those with weak outside options. For example, negotiators with relatively strong alternatives may experience negative emotions, such as anger, to a greater degree than negotiators with weak alternatives. Consequently, sacred values may be more likely to influence the outcomes for such negotiators. If this is the case, then this difference in magnitude of emotional reaction may account for the observed interaction.

Relatedly, it would be useful to examine the reactions of negotiators to impasses and agreements when sacred issues are at stake. O'Connor and Arnold (2001) demonstrated that negotiators who reach impasses tend to feel that they have failed. However, research by Ritov and Baron (1999) on the omission bias indicates that individuals tend to feel accountable for their actions but less accountable for inactions. This latter line of reasoning thus implies that when sacred issues are at stake, negotiators may feel worse about agreements than they would about impasses. Future empirical work aimed at resolving these opposing implications would thus contribute valuable insights.

Our findings suggest some practical recommendations. To improve outcomes and perceptions of opposing parties in environmental disputes, or disputes that involve other sacred values, one may wish to look at alternatives and emotions. It may make sense, for example, to reduce the perceived value of the negotiators' alternative. Asking the involved parties to more realistically appraise their alternatives may provide a reality check that not only leads to a more accurate assessment of one's alternative and reservation price, but also in turn, reduces the negative impact that sacred values may have. Similarly, engaging in exercises that attempt to reduce the negative emotion experienced by the involved parties may also improve negotiations involving sacred issues.

This area of research not only has implications for a wide variety of social issues facing policy makers, but at a more fundamental level the above recommendations are laden with normative issues concerning whether and how sacred issues should be managed. At a more fundamental level, the above recommendations are laden with normative issues, raising the question as to whether and how sacred issues should be managed. Up for debate is the issue of whether it is the negotiators with strong alternatives or the negotiators with weak alternatives who are more "rational" and who behave in a more desirable fashion. At the heart of this issue is a basic question. Do we want to encourage people to trade on their sacred issues? While the answer to this question is beyond the scope of this article, it is imperative that future work considers not only the empirical and practical aspects of sacred values in negotiations but also the important normative implications that accompany them.

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