Title
The Effect of Role and Frame in Competitive Two-Party Negotiations

Permalink
https://escholarship.org/uc/item/2p29n0wh

Journal

ISSN
1069-7977

Authors
Dunn, John
Gilliland, Victoria
Navarro, Daniel

Publication Date
2009

Peer reviewed
The Effect of Role and Frame in Competitive Two-Party Negotiations

Victoria Gilliland
University of Adelaide

Daniel Navarro
University of Adelaide

John Dunn
University of Adelaide

Abstract: The Effect of Role and Frame in Competitive Two-Party Negotiations Victoria Gilliland, Daniel J. Navarro and John C. Dunn University of Adelaide, South Australia

Framing, as described by Kahneman and Tversky's prospect theory (1979), has been demonstrated to bias decisions made under risk and uncertainty in a number of different fields. Litigation, however, represents a form of competitive sequential decision making where there has been relatively little psychological research. Previous work suggests that legal role (plaintiff or defendant) and frame (positive or negative) are independent constructs, and that frame can alter an individual's risk preferences in this context. This study explores the interaction of role and frame in real-time settlement negotiations made by parties in simulated legal disputes. While the negotiations were designed to be as realistic as possible, the data are interpreted in light of prospect theory and the manipulated frame reversals. Results are discussed in terms of general implications for modelling competitive decision making and with reference to specific issues arising from the application of prospect theory to this form of negotiation.