

CREATIVE THINKING IN NEGOTIATIONS. WHAT IS THE CHALLENGE?

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ABSTRACT

This paper presents the attempt to explore theoretically the nature of creativity in negotiation process in order to find out what is the biggest challenge for creativity there.

Negotiation process as a context for exercising creativity has been presented and some challenges for creativity there have been pointed out. Further, theories of creativity have been reviewed and their implications on negotiation process have been discussed.

It has been found that the main problem with creativity and negotiation process is the tug of war between the creative thinker, whose ideas are fostered through solitary work, and the multiparty, interpersonal, team-oriented negotiation process. Thus the challenge for creativity in negotiation is to achieve a balance between these two types of thinking and performing, so that creative ideas are available and are cultivated within negotiation settings.

I close with a discussion of how creativity in negotiation settings can be increased.

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1. INTRODUCTION, RESEARCH OBJECTIVE AND RESEARCH QUESTIONS

This is a theoretical study. It takes a departure point in literature about creativity, integration and negotiations. The subject examined is creativity in negotiation process.

To introduce the research problem it is necessary to discuss why the issue of creative thinking in negotiation process and the importance of improving the efficiency of negotiation process can be interesting for contemporary researchers, and how they are related to the negotiators success in real life.

Creativity is the ability to see things in new ways. This ability sometimes can be essential for solving difficult problems. Negotiation can be seen as a multiparties problem solving process, especially integrative negotiations. Thus, creativity might be important in integrative negotiations as well.

Integrative negotiation is a process that solves the problem by reconciling the two parties' interests, thereby creating the high joint benefit¹. It creates the highest value possible for both parties in terms of not leaving any resources unutilised as well as creating a cooperative, friendly, trustful atmosphere, which has a positive influence on parties' long-terms relationships. Integrative agreement is considered to be the most desirable outcome of negotiations. In a long run, it seems that everybody can benefit from it – immediate parties, negotiators' relationship, negotiators' constituencies, negotiators' organizations, other organizations and society in general. In spite of such beneficial sides of the integrative agreement, in reality most of the time it is not reached (68% in the research, done by Thomson and Hastie, 1990)

¹ Pruitt D.G.: Negotiation behaviour (1981), Academic Press

Mary Follet (1940) noticed that integration involves invention². Later other researchers like Pruitt, Lewicki, Thompson, Bazerman, Amabile, Basadur, and Csikszentmihalyi have been paying attention to the role of creative thinking in negotiations. They point out that creativity, as the ability to make connections between the previous seemingly unconnected objects, can be the mean to reach an integrative agreement.

Another reason for the actuality of this topic is the increasing importance and popularity of negotiation skills, particularly integrative negotiation skills. This statement is coming out from the article “Why negotiation is the most popular business school course?” written by Thompson and Leonardelli (2004). In the modern competitive environment people tend to pay attention mostly to distributive skills and practice to obtain them, while totally forgetting integrative skills. At the same time, as was mentioned already, the integrative outcome is the most efficient outcome from several points of view.

Creativity has also received an increasing amount of attention from psychologist, sociologist, behavioural scientists and economists. This phenomenon has been unmystified a great deal and many of the underlying processes and factors have been discovered (Finke, Ward, and Smith, 1986, 1992, 1995, 1999). Managers, consulting companies, researchers and teachers place emphasis on creativity, because it seems to improve the ability of individuals, groups, organizations and companies to adapt to quickly changing and competitive environment. Creative approach was found to be useful for problem solving in education, marketing and even engineering.

In spite of the actuality of the topic creativity in negotiation, there is not much research was conducted on this topic and there is not much literature available.

The reviewed literature on negotiation (for example, Rojot, 1991; Raiffa, 2002; Hall, 1993; Lewicki et. al., 1997) does not suggest usage of the creative techniques to a big extent. It can be several possible explanations for this. For the first, research on creativity has taken so many directions and came up with so many suggestions that it

² Follett, M. P.(1940): Constructive conflict. In H.C. Metcalf, L. Urwick (eds), Dynamic administration: The collect papers of Mary parker Follet. New York: Harper and Row

might be difficult to comprehend all of them. For the second, creativity might be an important component of the negotiations, but not the vital one. For the third, negotiation process might not be the best place to exercise creativity, and negotiation process conditions might not facilitate creativity. This makes it interesting and useful task to look closer at creativity in the context of negotiations and try to find out the nature of creativity in negotiation process.

Negotiation is a multiparties, interdependent process. This is a situation where parties work together trying to invent solution to the conflict. Thus, negotiations contain the elements both of conflict and cooperation. On one hand, these characteristics of the negotiation processes invite the use of creative thinking (=invention of novel solutions). On the other hand, they can post obstacles for creative thinking.

I will present the negotiation process as the context for creativity in Chapter II of this paper. Based on it, I will point out some challenges this creativity faces in negotiation context.

Creativity is a very complex subject. Research on creativity has sprung from many academic disciplines, providing many approaches to studying of creativity. In Chapter III I will present some of Theories of creativity and their applications in negotiation context. The chosen theory is intended to be the most useful and representative in negotiation context rather than complete. Basadur, Runco, and Vega (2000) have summarized that creativity can realize itself in the main four forms – person, product, process and environment. So, I will present theories that consider creativity as an individual phenomena, a system phenomena, a process, and an organizational phenomena.

In Chapter IV I close with a discussion of how creativity in negotiation can be increased in order to facilitate the uncovering of the integrative potential of a negotiation situation.

The actuality of this paper is in that it seeks to develop an overview over the creativity phenomena in organizational context for further exploration and testing of the relationships between negotiations and creativity, how creative thinking will affect the chance of reaching an integrative agreement, and, thus, how the process of negotiation

can be improved. This, I think, represents a challenge and opportunity for research on creativity in negotiations.

The research objective of this study is to explore the nature of creativity in negotiation context and to come up with some suggestions on how creativity can be increased in negotiation context.

2. CHARACTERISTICS OF NEGOTIATION PROCESS

Negotiation is a basic, generic human activity – a process that is often used in labor-management relations, in business deals like mergers and sales, in international affairs, and in our everyday activities. In spite of such a diversity of different kind of negotiation, there are some fundamental characteristics that are common to all negotiation situations³.

Negotiation situation constitutes a context for creativity. Thus, on order to explore the nature of creativity in negotiation process, it is useful to describe its context first. In this Chapter I will present some fundamental characteristics of negotiation process and integrative bargaining. Then, based on these characteristics, I will point out what kind of challenges negotiation situation can compose for creativity.

2.1 Negotiation process

Negotiation is a decision-making process by which two or more people agree how to allocate scarce resources⁴. In this definition of negotiation I would like to point three main elements on which I would be focusing in my description of the negotiation situation as the context for creativity. These elements are judgment, interdependence, and cooperation.

Negotiation is not a contest of wills or a match of strength, but, rather, involves logic and reasoning. The presence of two or more people implies that the decision making process is inherently interdependent – that is, what one person does affects the other party. Thus it is not sufficient for a negotiator to focus only on his/her own judgment skills to be an effective negotiator; negotiators should understand how to interact, persuade, and communicate with others. The desire to reach mutual agreement reveals

³ Lewicki R.J., Saunders D.M., Minton J.W. (1997) “Essentials of negotiation”. *Irwin Mc-Graw Hill*

⁴ Thompson L. (1998): *The mind and the heart of the negotiator. Prentice Hall, Upper Saddle River, New Jersey*

the cooperative aspect of negotiation. However, many people regard negotiation to be combative, and that there can be only one winner and someone must lose (Thompson, 1998, Bazerman 2002)

2.1.1 Judgement

It can be pointed out three groups of information that provide the building blocks for thinking analytically about a negotiation⁵. These are: each party's alternative to a negotiated agreement; each party's set of interests, and the relative importance of each party's interests. A negotiator should assess all components of this information before entering any bargaining situation. With this information in hand, the negotiator will be prepared for two primary tasks of negotiation: creating and claiming value (Lax and Sebenius, 1986).

Research in alternative generation in decision-making indicates that people often fail to develop a good set of options⁶. This is frequently not due to the lack of knowledge about potential options, but due to a failure to access available information or to appreciate its significance. Researchers trace the failure to generate sufficient options, among others, to the ways in which human memory is structured (as an associative network), the way memory is searching for options, and to use of heuristics. In addition, Fisher and Ury (1985) point out that a negotiation setting is likely to reinforce premature judgment of alternatives. Pitz, Sachs, and Heerboth (1980) also found that providing people with examples of possible solutions did not increase the number of options generated, but did lead to more options that related to the examples.

In negotiation, normatively, the memory structure and the searching process are presented by negotiation schema and search model.

Carroll, Bazerman, and Maury (1988) have argued that a negotiator will draw upon a set of cognitive competencies necessary for a full understanding of the task. Such an understanding should include beliefs about your "role" in the negotiation, such as

⁵ Bazerman, M.H. (2002) *Judgment in Managerial Decision Making*. 5th ed. New York: Wiley

⁶ Gettys, C.F., Pliske, R.M., Manning, C., Casey, J.T. (1987). An evaluation of human alternative generation performance. *Organizational behaviour and Human Decision Processes*, 39

task and value structure (what do negotiator care about, tradeoffs, aspiration levels and sticking points), contingencies (what will the negotiation process be like), alternatives, stakeholders (who are the parties to this negotiations) and understanding your “opponent”. It has also been pointed that many creative agreements reflect an understanding of the differences between you and your opponent in terms of values and beliefs (Fisher & Ury, 1981; Pruitt & Rubin, 1986; Raiffa, 1982).

Given such complexity and limited information processing capacity, research from cognitive psychology suggests that negotiators will use their past knowledge, organized in ways that make it accessible, to create and utilize simplifying assumptions and heuristic information acquisition and evaluation strategies. In short it can be said, that the above understanding of the specific negotiation situation rests on organized knowledge about negotiations, people, and events. Thus the previous stored in memory knowledge, how they are organized and used play a very important part for conducting negotiations.

In the terminology of cognitive psychology, organized bundles of knowledge that are accessed as a whole are called *schemas*. In each case, the label or information suggesting the schema brings to mind a bundle of information allowing us to quickly identify the situation, fill the missing information with reasonable “guesses”, and take action.

A negotiation schema is a particular kind of event schema. It contains our knowledge and expectations regarding bargaining situation. Generic (general) negotiation schemas contain two main components – the perception of the existing conflict and self-knowledge. Conflict exists when two parties have incompatible goals, are aware of that and know a concept of what is “negotiation”. Empirical laboratory studies of negotiation have found evidence that the generic negotiation schema often includes the fixed-pie assumption (Bazerman et.al., 1985, Thompson and Hastie, 1990). Thompson and Hastie (1990) note that a fixed pie assumption represents a reasonable initial judgment given the absence of information, but negotiators, who quickly modify their initial assumptions by communication their preferences and seeking information about their opponent’s preferences, still able to earn higher profits.

Generic concept of negotiation also includes self-knowledge (preferences, character and style) and knowledge about your opponent. Absence of awareness or incorrectly assignment of one owns preferences as well as the preferences of the other party will affect in negative way the negotiation situation.

The perception of the existing conflict and self-knowledge also represent the frame for negotiation. Bazerman et al. (1985) found that creating an interpretation or "frame" in terms of gains versus losses changed negotiator behaviour and resultant outcomes. Negotiators trying to maximize net profit (increase gains) completed more transactions and made higher profits than negotiators trying to minimize costs (decrease losses) despite the fact that net profit was simply gross profits (which remained fixed) minus costs. Apparently, framing outcomes as gains rather than losses makes people more risk averse and therefore more concessionary and cooperative.

The frame a negotiator uses may include only his or her own goals, or it may include the goals of other people. Pruitt and Rubin (1986) argue that negotiators concerned only for themselves are likely to be highly competitive, tough, and distributive in orientation. Those, concerned for both and other, would think in terms of integrative agreements and, perhaps, provide and seek information needed to create value as well as claim it⁷. Those, concerned primarily for the other, would be likely to yield easily and avoid any conflict.

Different ways of framing the goals of a negotiation could be an individual difference, that is, a part of the negotiation task that individual negotiators automatically assume, or it could be an aspect of the situation such as the relationship between the parties⁸.

A negotiation *search model* is a set of goals and other requirements used by a bargainer for generating and screening alternatives⁹. Simon (1975) has developed the concept of search model for understanding individual problem solving involving the confrontation of man against nature. Simon described this process as the individual

⁷ Pruitt, D., Rubin, J.Z. (1986). *Social conflict: escalation, impasse, and resolution*. Reading, MA: Addison-Wesley

⁸ Mills, J., Clark, M.S. (1982) "Exchange and communal relationships". In L. Wheeler (Ed.), "Review of personality and social psychology", (Vol. 3). Beverly Hills, CA: Sage

⁹ Thompson, L. (1998) "The mind and the heart of the negotiator". *Prentice Hall*, Upper Saddle River, New Jersey

problem solver first specifies a set of requirements that the problem solution must satisfy. Among these are his/her goals and aspirations for the situation and constraints that he/she sees as appropriate. These requirements constitute an initial search model. The problem solver screens known alternatives and scans the environment for new alternatives that fit the search model. If no acceptable alternatives are found within a reasonable period of time, the search model must be modified by relaxing one or more of its components. This requires prioritising the elements of the search model so that those of lowest priority can be relaxed or dropped. The search model may be modified several times in this way before an acceptable alternative is found.

Simon (1975) also notes that during negotiations there is another step added to the search process. When the alternative is found that fits the search model, it cannot simply be adopted but must be submitted to the opposing bargainer as proposal or demand. If the other rejects it, the search must be resumed, with either the same or a modified model. When relaxing one of its components modifies a search model, it means that a concession has been made.

The search model can be based exclusively on individual's own goals, aspirations, and constraints; or it can contain elements of the other party's supposed perspectives as well. The research shows that search models with the included/incorporated elements of other's demands almost always have been correlated with high joint profit. Including elements of the other's demands or needs in a search model along with one's own is not necessarily motivated by altruistic considerations. It may be due to the simple recognition that in order to reach agreement the other perspective must be taken into account.

Based on these imperfections of negotiation schema and search model, Simon (1957), Tversky and Kahneman (1974) have introduced the concept of bounded rationality, biased judgment, and heuristics. Later Bazerman M.H. (1983, 1985, 1987, 2002) identified and illustrated heuristics in negotiation setting among others. He explored the most common cognitive mistakes people make in negotiations. Specifically, he identified seven key issues that affect negotiator cognition: 1) the mythical fixed pie of negotiation, 2) the framing of negotiator judgment, 3) the nonrational escalation of conflict, 4) negotiator overconfidence, 5) negotiator egocentrism, 6) anchoring, and 7)

the tendency to ignore the cognition of others. He points out that limited processing capacity of mind often leads people to use a variety of heuristic. He has also shown that the use of various strategies is highly contingent on a large number of task variables. For example, increases in task complexity, time pressure, and social context factors such as accountability, typically leads to increased use of heuristics.

Bazerman underlies, that an understanding of these common mistakes will help to improve the negotiating skills in two key ways. First, awareness is an essential step toward avoiding these errors in negotiations. Second, once a person has learned to identify these errors in person own behaviors, he/she will be able to anticipate them in the decision of other negotiators.

Thus, a negotiator is making several judgments in negotiation about his/hers own preferences and the preferences to the other party. Normatively, this process is rational, in term of logically leading to the optimal result, given an accurate assessment of the decision maker's values and risk preferences¹⁰. But due to the distorted perceptions, limited capacity of memory, and use of heuristics, the negotiation process very often do not lead to the optimal outcome.

2.1.2 Interdependence

In negotiation, both parties need each other. The situation of mutual dependency is called interdependence. Lewicki et. al (1997) point out that interdependent relations are complex and have their own special challenges. When we are dependent on other, we have to accommodate the demands of another. When we are interdependent, however, we have an opportunity to influence the other party.

Interdependent relationships are characterized by interlocking goals – both parties need each other to accomplish their goals. Lewicki (1997) underlies, that having interdependent goals does not mean that everyone wants exactly the same thing, but mix of personal and group goals, as well as mix of convergent and conflicting goals, characterizes many interdependent relationships.

¹⁰ Bazerman, M.H. (2002) “*Judgment in Managerial Decision Making*”. 5th ed. New York: Wiley

Interdependent goals are an important aspect of negotiation, states Lewicki (1997). The structure of the interdependence between different negotiating parties determines the range of possible outcomes of the negotiation and suggests the appropriate strategies and tactics that the negotiators should use¹¹. For instance, if the interdependence is a “win-lose” situation – that is, the more one party loses, the more another party gains – then the negotiation will focus on how to divide a fixed amount of outcomes. Another type of interdependence occurs in a “win-win” situation – that is, solutions exist so that both parties can do well in negotiations. As was said, the type of interdependence between the negotiating parties will determine both the range of possible negotiation solutions and the type of strategy the negotiators should use.

Research done by Bazerman (2002), Lewicki et.al (1997), and Thompson (2000) shows that there are few situations with the “either-or” solutions and most of the negotiations have at least some integrative potential. This body of research also proves the point that the outcome of negotiations depends on how negotiation parties interpret their interdependence.

The interdependence of people’s goals is the basis for much social interaction. By examining the ways in which the goals are interdependent, it is possible to estimate what type of behaviour is most likely to emerge. When the goals of two people are interconnected so that only one can achieve the goal – such as winning a gold medal in a race- we have a competitive situation, also known as a distributive situation, in which individuals are so “linked” together that there is a negative correlation between their goal attainment. In contrast, when parties’ goals are linked so that one person’s goal achievement helps others to achieve their goals, we have a mutual gain situation, also known as an integrative situation, where there is a positive correlation between the goal attainments of both parties.

Unfortunately, negotiation situations do not typically present themselves with neat labels. Rather, negotiators make judgements about the nature of the interdependence in their negotiation situations. Here a negotiator’s perceptions about interdependence

¹¹ Lewicki et.al. (2003): *Essentials of negotiation*. Third edition. Mc-Graw Hills

become as important as the actual structure of the interdependence. All the cognitive baggage, like past experience, personality characteristics, moods, habits, and beliefs people bring with them to the negotiation table. These factors will influence how people perceive an interdependent situation, and this perception will in turn have a strong effect on the subsequent negotiation.

Considerable research has been conducted on the role of perception in negotiation (Bazerman, 1983, 1987, 2002, Neale, 1983, 1985, 1989, Thompson and Hastie, 1998, 1990). This body of research suggests that the way that people perceive interdependent situations has an important effect on how they will negotiate. Thompson and Hasite (1990) suggest that negotiator perceptions and judgments can have important influences on judgments that negotiators make about the other party, themselves, the utilities of both parties, offers and counteroffers, negotiation outcomes, and negotiation process.

Kelley and Stahelski (1970) suggest that negotiator perceptions have a critical influence on how negotiators evaluate the situation and how they subsequently behave. Kelley and Stahelski propose that there are two general types of negotiators: cooperators and competitors. Competitors enter negotiations expecting the other party to compete, and to compete with everyone. Cooperators will cooperate with other cooperators and compete with competitors. In addition, the experience of competitors and cooperators are gaining through different negotiations, continue to reinforce their beliefs about others who are competitors and cooperators, thus making their beliefs highly resistant to change.

Bazerman, Magliozzi, and Neale (1985) conducted research to identify systematic biases in negotiators' initial perceptions of the nature of the interdependence between the negotiating parties. They labelled this bias the "mythical fixed pie". Bazerman and his colleagues suggest that most negotiators in mixed-motive situations (negotiations containing both cooperative and competitive elements) will assume that there is a fixed pie; that is, the more I get, the less you have. In a laboratory study of negotiation, Thompson and Hastie (1990) found that 68% of negotiators assumed their upcoming negotiation were win-lose situation rather than win-win situation. Additionally,

Thomson and Hastie found that the degree to which negotiators adjusted to the situation during the first five minutes of the negotiation had an important effect on the outcome of negotiation. Negotiators who better adjusted their assessments of the structure of the negotiation early in the process earned higher profits than those negotiators who did not adjust until later.

Most authors agree that identifying the systematic biases in negotiator's perceptions is an important first step. How the next step, reducing the effect of biases, is best accomplished, remains an important unsolved issue, state Lewicki et.al (1997).

As we see, the interdependent nature of negotiations makes this process rather complicated and put it far away from the ideal situation for problem solving. Understanding the nature of the interdependence between parties is critical in order to reach an integrative agreement. Here negotiator's judgments and perceptions about interdependence become as important as the actual structure of the interdependence. It has been pointed out, that perceptions very often are difficult to change, and most of the people fail to recognise win-win situation in reality. However, the first step to work with biased perceptions can be the recognition of those.

2.1.3 Cooperation

Given the interdependent nature of negotiations, negotiator needs to adjust and readjust their expectations during the negotiation process. It makes cooperation also the essential part of negotiation process. To cooperate the negotiation parties need to communicate information, make concession, and influence each other at problem solving.

Problem solving is essentially a process of specifying the elements of a desired outcome, examining the components available to produce the outcome, and searching for a way to fit them together¹². A person can approach problem solving in negotiation from his/her own perspective and attempt to solve the problem by considering only the components that affect her/his own desired outcome. However, when approaching the

¹² Lewicki R.J., Saunders D.M., Minton J.W. (1997) "Essentials of negotiation". Irwin Mc-Graw Hill

situation as a joint problem-solving effort, the outcomes desired by the other party must be taken into account. The problem here, that opposing party may not be open about desired outcomes, or they may not be clear in their own minds about what they actually want. Hence, a necessary step in all negotiation is to clarify and share information about that both parties really want as outcomes.

As negotiations evolve, some knowledge of the combined set of desired outcomes becomes known. If the suggested outcomes don't immediately fit, negotiation continues as a series of proposals. These proposals usually suggest alteration in the other party's position, and perhaps contain alteration in the proposer's position. When one party accept an alteration in its position, a concession has been made. Concessions restrict the range of options within which a solution or agreement will be reached; when a party makes a concession, the bargaining range is confined closer to one side's or both sides' limits or resistance point¹³.

Making and interpreting concessions is not easy task, especially when there is little trust between negotiators. Kelley H. (1972) has identified two dilemmas that all negotiators face. The first dilemma, the dilemma of honesty, concerns how much of the truth to tell the other party. Telling the other party everything about your own situation may give them the opportunity to take advantage of you. However, not telling the other person anything about your needs, wants, and desires may lead to a stalemate. The second dilemma that every negotiator faces, the dilemma of trust, concerns how much to believe what the other party tells you. The situation is the same here: if you believe everything, the other party might take advantage of you; if you mistrust everything, negotiations are meant to get into a deadlock.

The question here is always: "How much should one person tell?" Researches do not suggest any one particular answer for that, but they do provide different tactics and strategies for indirect communication of your goals and aspirations. Thus, it is up to other party to interpret them.

¹³ Lewicki R.J., Saunders D.M., Minton J.W. (1997) "Essentials of negotiation". *Irwin Mc-Graw Hill*

So, the search for an optimal solution through the processes of giving information and making concessions is greatly aided by trust and belief that you're being treated honestly and fairly. Two efforts in negotiation can help to create this trust and belief – one is based on perceptions of outcomes, and the other on perceptions of the process¹⁴. The former attempts to change a party's estimation of the perceived importance or value of something - make a concession. A party that makes a concession will feel much more comfortable and be more trusted if the other party responds with a concession too. Research of Lewicki al. (1997) has shown that this pattern of give-and-take is not just a characteristic of negotiation; it is also essential to joint problem solving in most interdependent relationships.

In integrative bargaining the cooperative element is playing the major part, as in this kind of negotiation negotiators should first create value, so they can claim it later. For cooperation to be possible, negotiating parties should be able to communicate their values and goals and should be prepared to give and take concessions. These processes are best conducted in friendly, sincere, fair atmosphere between negotiating parties.

2.2 INTEGRATIVE BARGAINING

Integrative bargaining is one of the possible strategies for conducting negotiation. This approach is concerned by expanding the pie of resources rather than dividing and distributing resources among the negotiating parties, as Distributive bargaining approach does.

In this paper I choose this approach to negotiation as the goal for improvement, and it seems it can be improved by using creativity. Here I will present what this approach to negotiation consists of and how integrative outcome can be reached.

The term “integrative negotiation” refers to both a process and an outcome of negotiation¹⁵. Negotiation parties may engage in behaviours designed to integrate their

¹⁴ Lewicki R.J., Saunders D.M., Minton J.W. (1997) “Essentials of negotiation”. *Irwin Mc-Graw Hill*

¹⁵ Thompson L. (1998): *The mind and the heart of the negotiator*. Prentice Hall, Upper Saddle River, New Jersey

interests, but that is no guarantee they will reach an integrative outcome. The term “integrative” outcome has its origins in the concepts of integration. This concept was developed by Mary Follett (1940) and Walton & McKersie (1965) as one of three ways of dealing with conflict.

Pruitt & Lewis (1975), and Follett (1940) have conducted the studies that resulted in Theory of integrative bargaining. This Theory states that integrative agreements arise from adoption of a strategy of flexible rigidity. Understand this strategy requires distinguishing between flexibility of means and flexibility of ends. Flexibility of means refers to the extent to which bargainers are willing to search for and try out various solutions in an effort to find one that resolves the controversy. Flexibility of ends refers to the extent to which bargainers are willing to make concessions on basic goals and aspirations and the more tenaciously these aspirations are maintained. Thus, an integrative agreement can be reached by holding fast your aspiration level and your goals, while being flexible about how you can reach them.

There are distinguished between four main types of integrative agreement: compensate one party costs incurred; cut one party’s costs; logroll; and bridge the two parties’ positions¹⁶. These types of agreements in a way can be considered as a “prescription” to how create an integrative agreement. And as it will be seen later, these types of integrative agreement vary in demands for creativity.

Compensation. This way to resolve the conflict allows one person to obtain his/her objectives and “pay off” the other person for accommodating his/her interests. This payoff may be unrelated to the substantive negotiation, but the party who receives it nevertheless views it as adequate for acceding to the other party’s preferences. Compensation can be specific and non-specific. For non-specific compensation to work, the person doing the compensation needs to know what is valuable to the person and how seriously the other is inconvenienced (how much “compensation” is needed to make the other feel satisfied). Thus several different offers (types and amounts of compensation) need to be tested to find out how much it will take to satisfy the other.

¹⁶ Thompson L. (1998): *The mind and the heart of the negotiator*. Prentice Hall, Upper Saddle River, New Jersey

It has been pointed out that the discovery process can turn into a distributive bargaining situation itself.

Cost cutting. When interests diverge, successful goal achievement by one party is likely to impose costs on the other. If there is a good reason for the actor to get his/her way, the route to an integrative solution may involve cutting the other's costs. This enhances the other's benefit while presumably not substantially diminishing the actor's outcomes.

There are many forms of cost cutting. But the most important seems to be those, connected to the psychological aspects like diminished status, the sense of rejection, and the feeling of reduced freedom of action¹⁷.

Logrolling. In cost cutting and compensation, the actors do not retreat from a preferred action or demand. By contrast, logrolling requires both parties to change their positions in an effort to reconcile their interests with one another.

Logrolling is a process of trading off in order to capitalize on different strengths of preferences¹⁸. Successful logrolling requires that the parties establish (or find) more than one issue in conflict. The parties then agree to "trade off" these issues so one party achieves a highly preferred outcome on the first issue and the other person achieves a highly preferred outcome on the second issue. Logrolling is frequently done by trial and error process, as the parties experiment with various packages of offers that will satisfy both the other person and themselves. In order to do so, the parties must first establish which issues are at stake and then decide their individual priorities on these issues. If there are already at least two issues on the table, then any combination of two or more issues may be suitable for logrolling. If it appears initially that only one issue is at stake, the parties may need to engage in "unlinking" (Pruitt, 1981) of a single issue into two or more issues, which may then permit the logrolling process to begin. Demands, goals, aspirations, and values often come in bundles, in the sense of being psychologically linked to other demands, goals, aspirations, and values.

¹⁷ Thompson L. (1998) "The mind and the heart of the negotiator". Prentice Hall, Upper Saddle River, New Jersey

¹⁸ Froman, L.A., Cohen, M.D. (1970) "Compromise and logroll: comparing the efficiency of two bargaining processes". Behavioural Science, No. 30

Hence, in order to make a concession, a process of unlinking must take place in which a set of related cognitions is disaggregated and certain items dropped or attenuated¹⁹. Usually, the bonds between the elements of a bundle are often strong, making it hard to unlink them. Unlinking appears to be closely related to Fisher's (1964) conflict resolution strategy of reducing the physical size of an issue, a form of fractionation. Thus, in order to resolve the conflict, Fisher advocates dropping from a package of demands those inessential elements that provide unacceptable cost to the other party.

Additional issues of concern may be generated through the different idea-generating processes (f.eks. brainstorming). It is worth to repeat that logrolling is only possible when the parties have differing priorities across the issues at hand.

Lax and Sebenius (1986) noted five dimensions of difference that negotiators may exploit to capitalize on integrative agreement: differences in valuation of the negotiation issues; differences in expectation of uncertain events; differences in risk attitude; differences in time preferences; differences in capabilities.

Bridging. In bridging, the parties concede on some of the goals and values underlying their overt proposals rather than on elements of these overt proposals, as in logrolling.

By "bridging" the parties should be able to invent new options that meet each side's needs. Successful bridging requires a fundamental reformulation of the problem such that the parties are no longer squabbling over their positions; instead, they are disclosing sufficient information to discover their interests and needs and then inventing options that will satisfy both parties' needs. If negotiators fundamentally commit themselves to a win-win negotiation, bridging solutions are likely to be highly satisfactory to both sides.

As Thomson L. (1998) points out, successful bridging often depends on successful unlinking.

¹⁹ Thompson L. (1998): *The mind and the heart of the negotiator*. Prentice Hall, Upper Saddle River, New Jersey

Bridging resembles logrolling in that it is usually (though not always) necessary for both parties to make concessions on low-priority matters. But the two types of integrative agreement differ, in that logrolling involves a simple additive combination of demands previously endorsed by each party, whereas a solution by bridging entails some novel substantive element not previously under consideration. Thus, bridging can be considered as a type of integrative negotiation that requires the highest degree of creativity.

In constructing a bridging formula, it is often useful to analyse the basis for the apparent divergence of interest. Different types of bridging formula are useful for different sorts of constraints, like time constraint, resource constraint etc. For example, if the parties cannot take preferred actions at the same time due to time constraint (a person or object cannot simultaneously be in two places or in two mutually exclusive states), alternation or contingent sequence can be used. Alternation is the sequence in which one party goes first and the other second.

When the difficulty is due to a resource shortage, it is sometimes possible to broaden the pie, that is, to increase the fund of resources. Pruitt and Carnevale (1993) mentioned the option of expanding the pie as a way to reach an integrative solution, but it seems to be more reasonable to put it under types of bridging solutions.

As the last type of bridging formulas can be mentioned an assumption about the necessity of joint action. Negotiators may assume that substantive agreement must be reached on all issues where action is taken. Example is the assumption about the necessity of joint recreational activities that is common in many marriages²⁰. This assumption can provide costs to both parties if they do not share the same recreational interests. An agreement to spend some free time away from one another is a possible solution to this problem. Thus, for peaceful coexistence, it is wise to reach agreement on tractable issues and “agree to disagree” on intractable ones.

There are many processes and conditions that can lead to the development of integrative agreement. Here I will just mention some of them.

²⁰ Thompson L. (1998): *The mind and the heart of the negotiator*. Prentice Hall, Upper Saddle River, New Jersey

Simultaneous consideration of the issues. The hypothesis, that in situations with logrolling potential integrative agreements are more readily developed if the issues considered simultaneously rather than sequentially, has been confirmed in several studies (Thomson, 1998; Erickson, Holmes, Frey, Walker & Thibaut, 1974; Froman & Cohen, 1970; Walker & Thibaut, 1971; Yukl, Malone, Hayslip & Pamin, 1976). This is because it is easier to arrange trades of concessions, in which each party gives in on issues of low priority to himself/herself in exchange for a similar gesture by the other party. In sequential agendas, bargainers tend to compromise on each issue as it comes up, thereby achieving lower joint benefit than they would if they each conceded more deeply on issues of lower priority to themselves.

Bargaining tactics. There are variety of bargaining tactics exist. But not all of them have been tested out on effects of producing integrative agreements. Three main types of tactics were proven to lead to integrative agreement: incorporation, information exchange (explicit and implicit communication) and heuristic trial and error (L. Thompson, 1998; Fry, Firestone & Williams, 1979; Williams & Lewis, 1976). These tactics differ in the nature of the search models the goals of the bargainer whose search model it is.

Insight into the other party's motivational structure (goals, values, and constrains) is frequently derived from information communicated by that party. Such communication is called information exchange. It can be direct and explicit, or indirect and implicit. It is a fallacy to believe that negotiators should never provide information to the opponent. The important question here is not whether to provide information, but what information to reveal. Informational requirements differ depending on the type of integrative alternative available and the identity of the person who must develop this alternative.

Heuristic trial and error involves frequent variation in one's proposal of a kind that only gradually reduces the level of benefit being sought for oneself. It is based on a search model within the individual's own perspective exclusively. The initial search model is maintained for as long as possible and modified only when no new

alternatives are forthcoming. Modification, when it occurs, takes the form of unlinking and dropping those goals that are lowest in priority, so that as little as possible is sacrificed. This process then starts over again, with the new search model being maintained as long as it is useful for generating novel alternatives. The process stops when the other party agrees to a proposal. When this technique is used, it is fairly clear that party is trying to find an alternative that the other can endorse. But they reach agreement without an understanding of what it was about their last proposal that the other found acceptable.

Problem-solving orientation and win-lose orientation. The tactics a bargainer will use are determined in large part by his/her orientation. Two main negotiation orientations can be distinguished: the problem-solving orientation and the win-lose orientation.

Negotiation based on cocreation of understanding about the problem and an integration of parties' needs is known as an integrative approach²¹ or problem-solving approach. Parties perceive their goals to be compatible, thus problem solving will produce a mutually beneficial settlement for all parties. Behaviours associated with the integrative approach include open sharing of information, willingness to trust others, tradeoffs of valued interests, and interest-based discussion. In effect, parties enlarge the fixed pie through creation of additional benefits for all parties.

Negotiation in which strategic influence and guarding information have priority over dialog and relationship is frequently described as a distributive negotiation approach²² or win-lose approach. In this perspective, parties perceive their goals and interests to be mutually exclusive, and being in competition with each other. One party wants to gain as much as possible at the expense of another. Keltner (1994) states that distributive negotiation occurs when "parties are clearly adversaries, victory is the goal, the parties demand concessions of each others, dig in their position, make threats and hide or mislead about the bottom line". Bazerman and Neale (1992) describe this approach as an attempt to divide a mythical fixed pie.

²¹ Spangle M., Isenhardt M.: Negotiation, 2003, Sage Publications

Competitive behaviour. Competitive behaviour arise from the win-lose orientation and this type of behaviour, as well as use of competitive (pressure) tactics, are the antecedents of the most integrative agreements. Persuasive arguments, putdowns, positional commitments, and threats block problem-solving behaviour. These tactics might also block the imagination and creativity, since they involve standing firmly on a single proposal and trying to persuade the other party to move in this direction.

Thompson (1998) points out that some level of competitive behaviour should be present in negotiations. This type of behaviour might help to sustain the high aspiration goals for oneself, making information exchange more extensive and putting pressure on the other party to make concessions on the issues that are most important to them.

Integrative outcome of negotiation is a solution that reconciles, or integrates, the two parties' interests, thereby creating the high joint benefit. Integrative agreement can be achieved by four approaches: compensation, cost cutting, logrolling and bridging. These approaches vary in degrees to which they need creativity.

Integrative agreements can also be facilitated by simultaneous consideration of issues and employing different bargaining tactics. Which bargaining tactics will be employed highly depends on orientation of the negotiators.

The main antecedents of integrative agreements is said to be win-lose approach to negotiations, competitive behaviour and lack of communication.

2.3 CHALLENGES FOR CREATIVITY IN NEGOTIATION PROCESS

Above I have presented negotiation process. As it has been shown, this process can be affected to the extent degree by distorted perceptions, biases, and the interdependent

nature of negotiation process. In addition, negotiation has time and resources constrains. Creativity, on the other hand, demands flexibility and openness. As negotiation situation constitutes the context for creativity, it also represents certain constrain for creativity. Here I will present some of these constrains.

I choose to focus on three of them – perceptions and biases; knowledge base and team work in negotiations. I choose these constrains because of the several notions about creativity²³. For the first, creativity is considered to work most efficiently on the individual level. For the second, knowledge (concepts) constitutes the base for creativity, because when we develop new ideas, we recall old ideas and use them as a starting point. However, in order to be creative, it is important to organize and use these concepts in a certain way. Very often concepts are the part of our unconscious baggage and we use them as assumptions, without even questioning whether they are essential to the new idea we are trying to formulate. In addition, even though the relationship between the amount of previous knowledge to the creativity is much more straightforward than it has been assumed earlier²⁴, it still holds the invert U shape. – It means that both too much knowledge and too little is harmful for creativity. The amount of domain-relevant knowledge has been shown to correlate with creativity in a positive way²⁵, however experts are also prone to some cognitive mistakes.

2.3.1 Perceptions and biases in negotiation

The approach to each negotiation situation is guided by negotiator's perceptions of past situations and current attitudes and behaviours. Perceptions constitute the process by which individuals are connecting to their environment. It is said, that the process of ascribing meaning to messages received is strongly influenced by the receiver's current state of mind, role, and understanding or comprehension of earlier communications.

²³ Sternberg R.J. (1999) "Handbook of creativity". Cambridge University Press

²⁴ Sternberg R.J., O'Hara L.A. (1996) "Creativity and Intelligence". I: Handbook of Creativity", edited by Sternberg R.J. *Cambridge University Press*, 1999

Perceptions constitute a “sense-making” process where people interpret their environment so that they can respond appropriately. Most environments are extremely complex and they present a large number of stimuli. The sheer complexity of such environments makes it impossible to process all of the available information, so perception becomes selective, focusing on some stimuli while turning out others. As a result, people have several shortcuts in their perceptual systems that allow them to process information more readily. Unfortunately, the results of the research by Bazerman M. et. al. (1983, 1985, 1987, 1992, 2002) shows that these shortcuts come with perceptual errors, which typically occur without people being aware that they are happening.

In any given negotiation, the perceiver’s own needs, desires, motivations, and personal experiences may create a predisposition about the other party. Such predispositions are most problematic when they lead to biases and error in perception and subsequent communication.

Thomson L. (1998), and Lewicki et. al. (1997) point out four major perceptual errors in negotiations. They are stereotyping, halo effects, selective perception, and projection. Stereotyping and halo effects are examples of perceptual distortion by generalization: small amount of perceptual information are used to draw large conclusions about individuals. Selective perception and projection are, in contrast, examples of perceptual distortion by the anticipation of encountering certain attributes and qualities in another person. In each case, the perceiver filters and distorts information to arrive at a consistent view.

Stereotyping is a very common distortion of the perceptual process. Stereotyping occurs when one individual assigns attributes to another solely on the basis of the other’s membership in a particular social or demographic group. Stereotypes are formed about a wide variety of different groups. In each case, they tend to be formed in same way. People assign an individual to a group based on one piece of perceptual information; then they assign a broad range of other characteristics of the group to this

²⁵ Sternberg R.J. (1999) “Handbook of creativity”. Cambridge University Press

individual. Stereotypes, once formed, are often highly resistant to change. Even the simple process of using a single criterion – to divide people into groups encourages group members to begin to define themselves as “we” and the other group as “they”, and then make evaluative comparisons between them. Direct competition for resources among groups, or a conflict of values and ideologies, significantly enhance the stereotyping process²⁶.

Halo effects in perception are similar to stereotypes. Rather than using a person’s group membership as a basis for classification, halo effects occur when people generalize about a variety of attributes based on knowledge of one attribute of an individual. A smiling person is judged to be more honest than a frowning or scowling person, even though there is no consistent relationship between smiling and honesty. Halo effects may be positive and negative. A good attribute may be generalized so that people are seen in a very positive light, whereas a negative attribute has the reverse effect. The more prominent the attribute is in influencing the overall judgment about an individual, the more likely that it will be used to cast further information into a perspective consistent with the initial judgment²⁷.

Halo effects are as common as stereotypes in negotiation. Negotiators are likely to form rapid impressions of each other based on very limited initial information, such as appearance, group membership, or initial statement. Negotiators tend to maintain these judgments as they get to know each other better, fitting each piece of new information into some consistent pattern. Finally, the mere suggestion that the other party can be viewed in moral terms – for example, honest or dishonest, ethical or unethical – is likely to affect the perception of a wide variety of their other attributes²⁸.

Selective perception occurs when the perceiver singles out certain information that supports or reinforces a prior belief, and filters out information that does not confirm that belief. For example, an initial smile from the other party, which leads the

²⁶ Lewicki et.al. (2004): Essentials of negotiation. Third edition. Mc-Graw Hill.

²⁷ Lewicki et.al. (2004): Essentials of negotiation. Third edition. Mc-Graw Hill

²⁸ Lewicki et.al. (2004): Essentials of negotiation. Third edition. Mc-Graw Hill.

negotiator to believe that he or she is honest, might also lead the negotiator to downplay any of that party's statements that demonstrate an intention to be competitive and aggressive.

Projection occurs when people ascribe to others the characteristics or feelings that they possess themselves. Projection usually arises out of a need to protect one's own self-concept, as people, in general, have a need to see themselves as consistent and good. Negotiators tend to assume that the other party would respond in the same manner they would if they were in the same situation. But people are different and people respond differently to similar situation and projecting one's own feelings and beliefs onto the other negotiator may be incorrect.

Framing is another issues that perceptions create in negotiation. In decision theory terms, a frame is a perspective or point of view that people use when they gather information and solve problems. As M. Bazerman (2002) had found in his research, frames can lead people to seek, avoid, or be neutral about risk in decision-making and negotiations. Thus framing has a strong influence on negotiators when they are evaluating risk. Negotiators may overreact to a perceived loss when they might react more positively to the same situation if it is framed as a perceived gain. When negotiators are risk averse, they are likely to accept any viable offer put on the table simply because they are afraid of losing. In contrast, when negotiators are risk seeking, they are likely to pass up an offer, choosing instead to wait for a better offer or for possible future concessions.

This positive/negative framing is not inconsequential, stated Bazerman M. (2002). Negotiations in which the outcomes are negatively framed tend to produce fewer concessions, reach fewer agreements, and perceive outcomes as less fair than negotiations in which the outcomes are positively framed.

Remedies for framing effects, said Bazerman (2002), can be sufficient information, thorough analysis, and reality checks, but they are more difficult to achieve because frames are often tied to deeply held values and beliefs or to other anchors that are hard to detect.

Another obstacle for creativity in negotiation processes, due to the limited information processing, is cognitive biases. Cognitive biases occur in situations in which an individual inappropriately applies a heuristic when making a decision. Heuristics are simplifying strategies, or rules of thumb, in making decision. Heuristics serve as a mechanism for coping with the complex environment surrounding our decisions. In general, heuristics are helpful, but sometimes they can lead to a variety of systematic and predictable mistakes. Usually it happens when people do not aware that they rely on heuristics in their decision-making process.

Bazerman (2002) and Lewicki et.al.(1997) point out several biases a negotiator should be aware of. For the first, negotiators must be concerned with the potential bias caused by the availability of information or how easy information is to retrieve- that is, how easy it can be recalled and used to inform or evaluate a process or a decision. The availability bias arises when information that is present is vivid, colourful, or attention-getting ways becomes easy to recall, and thus also becomes central and critical in evaluating events and options. It has been shown that information presented through a particular clear chart, diagram, or formula (even one that is oversimplifies) might be used or believed more readily than information presented in a confusing or detailed format – regardless of the accuracy of each.

The availability of information also affects negotiation through the use of established search patterns. If negotiators have a favourite way of collecting information, or looking for key signals, they will use these patterns repeatedly and hence overvalue the information that comes from them. Experts can be particularly prone to this type of heuristic.

The second bias negotiators should be aware of is overconfidence. Overconfidence is the tendency of negotiators to believe that their ability to be correct or accurate is greater than is actually true. It is said that overconfidence has a double-edged effect: 1) it can solidify the degree to which negotiators support positions or options that are incorrect or inappropriate, and 2) it can lead negotiators to discount the worth or validity of the judgments of others, in effect shutting down other parties as sources of information, interest, and options necessary for a successful integrative negotiations.

Studies of Neale and Bazerman (1983) found that negotiators who were not trained to be aware of the overconfidence heuristic tended to overestimate their probability of being successful, and they were significantly less likely to compromise or reach agreements than trained negotiators. In the studies of Lim (1997), overconfident individuals were more persistent and were more concerned about their own outcomes than were the realistically confident negotiators. This does not mean, however, that negotiators should always seek to suppress confidence or optimism. Research on distributive bargaining by Bottom and Studt (1993) found that negotiators biased toward optimism achieved more profitable settlements compared to negotiators with accurate perceptions or a bias toward pessimism.

The law of small numbers is the third bias that might occur in negotiation. It refers to the tendency of people to draw conclusions from small sample sizes. In negotiation, the law of small numbers applies to the way negotiators learn and extrapolate from their own experience. If that experience is limited in time or in scope (for example, if all of one's prior negotiations have been hard-fought and distributive), the tendency is to extrapolate prior experience onto future negotiations (all negotiations are distributive). This tendency will often lead to a self-fulfilling prophecy, as follows: people who expect to be treated in a distributive manner will 1) be more likely to perceive the other party's behaviour as distributive, and 2) treat the other party in a more distributive manner. The other party will then be likely to interpret the negotiator's behaviour as evidence of a distributive tendency, and will therefore respond in kind. The smaller the prior sample, the greater the possibility that past lessons will be erroneously used to infer what will happen in the future.

The winner's curse refers to the tendency of negotiators, particularly in an auction setting, to settle quickly on an item and then subsequently feel discomfort about a negotiation win that comes too easily. It was pointed out that the best remedy for the winner's curse is to prevent it from occurring. Thorough investigation and preparation can provide negotiators with independent verification of the proper settlement point. Negotiators can also try to secure performance or quality guarantees from the other party to make sure that outcome is not faulty or defective.

People often explain another person's behaviour by making attributions, either to the person (i.e., the behaviours were caused by internal factors such as ability, mood, or effort) or to the situation (i.e., behaviours were caused by external factors such as task, other people, fate). In "explaining" another person's behaviour, the tendency is to overestimate the causal role of personal or internal factors and underestimate the causal role of situational or external factors.

Research has documented the effects of self-serving biases on the negotiation process. For instance, studies of Babcock and Loewenstein (1997) found that negotiators in different school districts chose comparison school districts in a self-serving way; that is, the districts they chose as comparison standards for their own district's activities were those that made their district look most favourable.

Perceptual error may also be expressed in the form of biases or distortion in the evaluation of data. For instance, the false-consensus effect is a tendency to overestimate the degree of support and consensus that exists for one's own position, opinion, or behaviours. This can seriously damage a negotiation effort – negotiators subject to it would make faulty judgments regarding tactics or outcome probabilities.

As was mentioned earlier, negotiators often failed to assess the other party's perceptions and thoughts, which leave them to work with incomplete information. Failure to consider others' cognition sometimes allows negotiators to simplify their thinking about otherwise complex processes; this usually leads to a more distributive strategy and causes a failure to recognize the contingent nature of both sides' behaviours and responses. Although this "failure to consider" might be attributed to some basic, underlying bias against the other party, research suggests that it is more often a way to make decision making under uncertainty more manageable. Research also suggests that training and awareness of this trap reduces its effects only modestly (Carroll, Delquie, Halpern, and Bazerman, 1990).

Reactive devaluation is the process of devaluating the other party's concessions simply because the other party made them. Such devaluation may be based in emotionality or on distrust fostered by past experience. Reactive devaluation leads negotiators to minimize the magnitude of a concession made by a disliked other, to reduce their

willingness to respond with a concession of equal size, or to seek even more from the other party once a concession has been made (Neale and Bazerman, 1992). Reactive devaluation may be minimized by maintaining an objective view of the process, or assigning a colleagues to do this task, by clarifying each side's preferences on options and concessions before any are made, or by using a third party to mediate or filter concession-making processes.

The endowment effect is the tendency to overvalue something you own or believe you possess. In negotiation, the endowment effect can lead to inflated estimation of value that interferes with reaching a good deal. Discussing endowment effects in the context of negotiations over environmental issues, Max Bazerman (1999) argues that the status quo serves as a "potentially dysfunctional anchor point, making mutually beneficial trades more difficult".

Thompson L. (1998) in the book "The mind and heart of the negotiator" names the same and points out many other biases, like positive illusions, egocentric judgment, false uniqueness, the power of first impression etc. She underlines that it is not necessarily irrational behaviour is the course for that. People simple use different kinds of rationality in making decisions: contextual rationality, game rationality, process rationality, adaptive rationality, selected rationality and posterior rationality. In a technical sense, rationality has a more precise meaning: the maximization of utility and the assumption that others behave rationally. All these different types of rationality emphasise the different utilities and thus have different departure point of judging.

Negotiators are not also solely concerned with maximizing monetary gain. Information, goods, services, approval, acceptance, and status are all important resources also. Thomson L. (1998) concludes that human behaviour at the bargaining table does not follow all the principles of rational behaviour and, in general, people tend to view themselves to be superior to others and are motivated to win the approval of others. These goals seem to influence and guide the behaviour of the negotiators to the great extent.

2.3.2 Expertise

It is said, that high-quality, in terms of reaching an integrative agreement, negotiation outcomes can be achieved in two ways: 1) a negotiator may learn an effective pattern of behavior for a particular situation, without necessarily being able to generalize this knowledge to related situations; or 2) negotiate rationally by selecting strategies that are appropriate to the goals, opponents, and other factors that are unique to the situation.

Individuals, who are able to reach a high-quality negotiation outcome by combining their experience with the ability to think rationally (the second way) are called “experts”²⁹. A lot of research has been conducted on the topic of expertise both in negotiation and in creativity. Here I will present the results of some of them.

Research on experts in negotiation (Lewicki et. al., 1986, Lewicki et. al. 1997, Bazerman, 1983, 1985, Thomson, 1998) states that experts are better in analysing and restructuring proposed negotiations. Research also confirms that experts do better at the negotiation table and they are better to discover the integrative potential in negotiations. Expertise can clearly improve the quality of negotiated agreement and reduce the impact of some but not all biases. For example, in the study, conducted by Bazerman and Neale (1992), experts were susceptible to the framing bias, but did not fall prey to the mythical fixed-pie bias.

But experts might also suffer from mental blocks, says Thomson (1998), Mental blocks refer to tendency to approach a problem or situation in some habitual way. Just as heuristics, mental sets are useful in many situations because they can make it easier to organize and understand new information, but they can sometimes lead to erroneous interpretations or misleading searches when one is confronted with a problem.

Mental blocks can be represented by mental sets; functional fixedness; emotional blocks; cultural blocks and environmental blocks. Functional fixedness is a tendency to think of an object only in terms of its typical functions. Unlike simple fixation, functional fixedness does not usually fade or decay. So, in order to overcome this type

²⁹ Bazerman, M.H., Neale, N.A. (1992) “Negotiating rationally”. *The Free Press*

of mental block it may be necessary to apply categorical reduction or to suspend one's expertise. Emotional block are based on fear of thinking in unusual ways, fear of making mistakes etc. Cultural block include the notion that fantasy, playfulness, and humour have no place in serious problem solving. Environmental blocks result from the lack of cooperation and support of colleagues and superiors, job distractions, and lack of resources. Thomson (1998) suggests that incubation periods and shifts in context can help to overcome mental blocks.

Experts are people who possess a lot of domain relevant knowledge, but these people, usually, seems to possess a lot of knowledge in general. It can be said, that experts are intelligent people. There is an interesting note here about creativity: despite a substantial body of research, psychologists still have not reached a consensus on the nature of the relation between creativity and intelligence, not even of exactly what these constructs are³⁰. Many types of relations between creativity and intelligence have been proposed: creativity is a subset of intelligence; intelligence is a subset of creativity; creativity and intelligence are overlapping sets; creativity and essentially the same thing; and creativity and intelligence bear no relation at all to each other. There is at least some evidence to support them. And the most conventional view is probably that creativity and intelligence overlap in some respects, but not in others.

Ochse R. (1990) said, "if intelligence means selecting and shaping environments, it IS creativity". In order to select or shape the environment to suit oneself, one requires the imagination to create a vision of what the environment should be and of how this idealized environment can become a reality. On the other hand, the ability to adapt to the environment – to change oneself to suit the environment – typically involves little or no creativity, and may even require to suppress creativity, as when one realized that adaptation to a school or a job environment means keeping one's creative ideas to oneself, or else risking a low grade or job evaluation. According to Getzels and Csikzentmihalyi (1972), creativity and intelligence may represent different processes

³⁰ Sternberg R.J., O'Hara L.A. (1996): "Creativity and Intelligence" (I: Handbook of Creativity, edited by Sternberg R.J. Cambridge University Press, 1999)

and intelligence may be required in widely varying degrees in different fields of creative endeavour.

2.3.3 Teamwork

Negotiations are, per definition, multiparty processes. In addition, a lot of negotiations are conducted in negotiations teams. Thus, there are several intergroup and intragroup processes that occur during negotiations. It is why it is worth mentioning here something about processes that exist inside the groups, as well as processes that exist between the groups.

Group negotiations are inherently more complex than individual negotiation. This is due, in part, to the richness of the interpersonal networks and the multiple individual preferences and interests involved. The increased number of people and interests require managers to establish coordination, decision rules, and lead to the risk of coalitions, which usually allocate resources ineffectively, says Lewicki et. al. (1997).

Negotiating as a group allows to take advantage of the knowledge, information, and perspective of each member to create more options for the possible solution and thus to increase the chance of reaching a creative, integrative solution. In general, teams of people have the potential to perform more than individuals. However, team and group effort is often hampered by the tendency of group members to work less hard, communicate less effectively, and think less clearly in groups than when alone³¹.

In the terms of creativity, teams are not as creative as individuals. The ideas groups and teams come up with are more clichéd and traditional than the ideas that individuals generate when working on their own. This is because teams might act as a normative device, thereby making group members more likely to conform to one another. In several organizational situations, this is highly desirable, such as when teams want to

³¹ Thompson, L. (1998) "The mind and the heart of the negotiator". *Prentice Hall*, Upper Saddle River, New Jersey

build cohesion and identity. From one point, the team provides a greater diversity of opinions about the problem. On the other hand, diversity can also mean conflict, and most teams want to avoid conflict at any cost.

Teams and groups also tend to focus on convergent phase of thinking process. As was presented earlier in this paper, that creative thinking process consists of convergent and divergent phases. Convergent thinking is thinking that proceeds toward on a single answer. Divergent thinking moves outwards from a problem in many directions and involves thinking without boundaries. And as it was also pointed earlier in this paper, many of the factors that constitute the creative problem solving are related to divergent thinking. Because of the certain intergroup processes, teams and groups are not able to exercise divergent thinking.

Groups can also suffer from so called production blocking³². Production blocking occurs when people are not able to perform some action at the same time. When one person “has the floor”, others cannot make contributions; they must wait and while waiting a person might lose his/her ideas or decide not to verbalize them. This can lead to the reduction of the amount of ideas for solution and thus make the solution less creative.

Summing up

Negotiation process is multiparty, rational (theoretically), interdependent process. It constitutes a context for creative thinking and, as was shown, can post several obstacles for creative thinking.

Creativity requires a lot of flexibility, openness, freedom and very few boundaries and constrains. Challenges for creativity in negotiation processes arises from the amount of previous stored knowledge in the negotiator’s memory, the way negotiator retrieves information from the memory and makes decisions, and by the inter- and intrapersonal relations between the people during negotiation process.

³² Thompson, L. (2003) “Improving the creativity of organizational work groups”. *Academy of Management Executive*, 2003, Vol. 17., No. 1

Negotiators approach negotiations guided by their perceptions of past situations and current attitudes and behaviours. Perceptions represent concepts in our memory and constitute our knowledge base. The complexity of environment makes it impossible to process all of the available information, so perception becomes selective, focusing on some stimuli while turning out others. As a result, people have several shortcuts in their perceptual systems that allow them to process information more readily. Unfortunately, these shortcuts come with perceptual errors, which typically occur without people being aware that they are happening. Psychologists consider concepts to be the building blocks of creativity, thus perceptions, at least many of them, can inhibit creative thinking. For example, it was found that in negotiation setting the first impression and the way, in which information is presented, can create certain misleading perceptions. They will affect the negotiating behavior and might lead to the non-creative outcome.

Research also states that expertise seems to be an efficient way to avoid misleading perceptions. However, experts can also develop different types of mental blocks, which they are not able to overcome due to the amount of their past knowledge and experiences.

Heuristics are another way to cope with the complex environment. Heuristics are used to process information. They are usually helpful and people tend to rely heavily on them. However, when awareness of using heuristics is not present, they can lead to the behavioural biases and non-rational, non-creative outcome. It has been proven, that in negotiation, due to time pressure, the degree of reliance on heuristics will increase. Thus, the chances of reaching creative solution will decrease.

Interpersonal nature of negotiations also seems to present several roadblocks to creative thinking. Intergroup processes like social loafing, conformity, production blocking and downward norm setting lead the group toward convergent thinking. For creativity both convergent and divergent phases of thinking are needed, but divergent thinking (the ability and possibility of the group members to look at the same problem from different perspectives) is playing a more important part in creative process. Thus, groups, in general, are less creative than individuals. It can also mean that

negotiation outcome, as the result of inter- and intragroup work, is not the very creative result.

3. THEORIES OF CREATIVITY

The goal of this chapter is to find out what is the biggest challenge for creativity in negotiation settings. To do this I will review formal theories of creativity, pointing out the discrepancies between the certain aspects of creativity, and I will present the implications of these theories for creativity in negotiation settings.

Research on creativity has sprung from many academic disciplines, including psychology, organizational behavior, education, history and sociology. In fact, the development of scientific thinking about creativity has followed a trajectory similar to that of research on intelligence: an early emphasis upon isolated individuals and their internal traits and capabilities, followed by a developing focus upon the interaction between the individual and the environment³³.

The major focus in early creativity research has been on the individual creator and her/his personality, traits, abilities, experiences, and thought processes. Within this focus, creativity is often seen as the product of special individual in an isolated moment of insight and as phenomena that difficult to train and cultivate. The centre of creativity is within the individual, and their expression in creative products is influenced by random acts of chance.

Later research has been focusing on the creativity in context. These systems views are based on analyses of creative individuals within their social and historical contexts. Researchers like Gruber (1988), Csikzentmihalyi (1988), Gardner (1988), and Simonton (1988) have chosen to focus on the thought processes that lead to creative outcomes. These researchers have attempted to model the specific processes and inputs required for creative thinking.

³³ Williams, W.M., Yang, L.T. (1999) "Organizational Creativity". In *Handbook of Creativity*, edited by Sternberg R.J. Cambridge University Press

Other researchers, like Amabile (1983, 1996, 1997), and Kanter (1984, 1985), have attempted to model organizational creativity as a part of macro-level analyses of organizational functioning.

These types of approaches are wide ranging and their levels of analysis seem to be widely discrepant. It is not possible to present all of them in details in this paper. Thus, my goal is to illustrate the significance of the major approaches to the study of creativity in the understanding of creativity in negotiation from individual and system points of view. The latter includes view of creativity as a cognitive process and organizational view of creativity.

3.1 INDIVIDUAL VIEW OF CREATIVITY

Consider first a strictly individual-based approach to the study of creativity. The originator of this approach was Guilford J.P. (1956). He developed tests of divergent thinking and based on it introduced three-factor model of creativity: fluency, flexibility, and originality. According to Guilford, flexibility is the driver. Later work by Torrance (1987, 1988), elaborated on the tests predicted creative real-world performances. This highly individual-oriented focus can yield data on what types of personality and other individual characteristics are most closely related to creative performance.

Descriptions of the creative person typically fall into three general categories: cognitive characteristics; personality and motivational qualities; special events or experiences during one's development³⁴.

It is generally acknowledged that people are creative within particular domains of endeavour, even though people who are creative in different domains may share

³⁴ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

common traits. This is a curious statement, given that when the issue of domain-specificity occurs in discussions of creative processes much less agreement ensues, states Mayer (1998). Nonetheless, domain specificity is a major consideration when describing creative persons, and it goes along with other characteristics such as using one's existing knowledge in the domain as a base to create new ideas, being alert to novelty and finding gaps in domain knowledge (Csikszentmihalyi, 1988, Gardner, 1988, Perkins, 1988, Sternberg, 1988, 1996, 1999, Walberg, 1988). Although it is generally agreed that creative individuals are creative within limited domains, various explanations have been offered for why individuals differ in their properties toward and abilities in their domains of specialty. Csikszentmihalyi (1988), Gardner (1988), and Perkins (1988), for example, attribute such specificities to inborn sensitivities to particular types of information or modes of operation. Gardner (1988), however, discusses unique combinations of "intelligences", whereas Walberg (1988) emphasizes highly practiced skills as a factor.

A list of cognitive characteristics that are shared by creative people, regardless of domain, can be grouped into three sets: traits, abilities, and processing styles that creative individuals use and possess³⁵.

There are four traits that are commonly said to be associated with creative individuals: relatively high intelligence, originality, articulateness and verbal fluency, and a good imagination.

The cognitive abilities of creative people often include: the ability to think metaphorically, flexibility and skill in making decisions, independence of judgment, coping well with novelty, logical thinking skills, internal visualization, the ability to escape perceptual sets, and finding order in chaos³⁶.

³⁵ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

³⁶ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

Finally, creative people may also be characterized by the way in which they approach problems (i.e. style). Some of the most commonly mentioned processing styles presented in the literature include using wide categories and images of wide scope, a preference for nonverbal communication, building new structures rather than using existing structures, questioning norms and assumptions in their domain, being alert to novelty and gaps in knowledge, and using the existing knowledge as a base for new ideas. Thompson (2000) calls this style of thinking as “creative realism”, while Guastello et. al. (1998) “innovator, synthesizer, and planner”.

The one characteristic that seems to prevail among creative people, however, is the ability that allows such individuals to recognize “good” problems in their field (Perkins, 1988, Sternberg, 1988, Walberg, 1988). There is no scientific explanation for this ability³⁷. Perhaps it is some combination of the foregoing characteristics, perhaps it can be explained by the personality or motivational characteristics, or maybe it is a separate factor altogether.

It seems that there is no one personality or motivational characteristic that is particularly useful for creativity. Rather, creative personality is composed of a constellation of many characteristics. The most often mentioned characteristics include a willingness to confront hostility and take intellectual risks, perseverance, curiosity and inquisitiveness, being open to next experiences and growth, discipline and commitment to one’s work, high intrinsic motivation, being task-focused, freedom of spirit that rejects limits imposed by others, a high degree of self-organization such that these individuals set their own rules rather than follow those set by others. On the other hand creative individuals are often withdrawn, reflective, and internally preoccupied.

Feist (1998) makes a distinction between an artistic and scientific creativity. He found that these two types of creative people have some traits in common, like relatively high

³⁷ Tardif, T.Z., Sternberg, R.J. (1998) “What do we know about creativity?”. In *“The nature of creativity: contemporary psychological perspectives”* ed. by Sternberg R.J.

levels of asocial characteristics, namely introversion, independence, hostility and arrogance. In addition these two types of creative people are ambitious, self-driven, self-confident, open to experience, flexible in thoughts and have active imagination.

On the other hand, compared with creative scientists, artists appear to be more anxious, emotionally labile, and impulsive. Artistic creative personality can also be often characterised by low socialization and low conscientiousness.

When discussing the creative traits and personality characteristics, Tardif (1998) notes two paradoxes. For the first, there is some discrepancy between attitude toward criticism and confidence of creative individuals. For the second, there appears to be a conflict between socially withdrawn and socially integrated tendencies.

Feldman (1988) and Gardner (1988) both suggest that what distinguishes creative individuals is their lack of fit to their environment. Others have discussed creative people's need to maintain distance from their friends, and avoidance of interpersonal contact, and resistance to societal demands (Hennessey & Amabile, 1998, Simonton, 1998, Sternberg, 1988, 1998).

On the other side, it has also been proposed that creative individuals have a drive for accomplishment and recognition, a need to form alliances, desire attention, praise and support, are charismatic, display honesty and courageousness, are emotionally expressive, and are generally ethical, empathetic, and sensitive to the needs of others.

The final light in which to consider creative individuals is with respect to their developmental histories. Such histories were primarily investigated by Gruber & Davis, Simonton, Weisberg, Lumsden, Feist, Gardner. They mention that being a firstborn, having survived the loss of one or both parents early in life, experiencing unusual situations, grow up in a diversified, enriching, and stimulating home environment might result in a creative personality. Further, having a future career image and definite role models, mentors, while in training are features put forth by Simonton, Totrance, Walberg. Moreover, it has been found that creative individuals, over the course of their careers, exert sustained effort and hence enjoy enduring

reputations, publish early and get good jobs at the initial state, and overall, demonstrate, voluminous productivity.

Another of the curious discrepancies that appear in discussions of creativity is between the intense preparation in the field often stated as a requirement and the finding that a moderate level of training (3 years of formal university education), or marginality in a field, is more highly related to creative contribution³⁸.

Creative persons, then, have a number of cognitive, motivational, and developmental characteristics attributed to them. However, there are major controversies and contradictions when the characteristics listed by various authors are put under closer inspection, for example, between criticism and confidence, socially isolation and socially integration; between extensive field knowledge and moderate level of training. From the contradictions there emerges an underlying theme: the creative individuals as one in conflict. But, just like with all the conflicts, it can be constructive or destructive.

What are the implications for creativity in negotiation context from the individual perspective? - This highly individual-oriented focus can yield data on what type of personality and other individual characteristics are most closely related to creative performance. Thus, some might conclude that creativity in negotiation could be met by hiring individuals with the right levels of intelligence combined with other aspects of personality, for example.

However, there are some problems with this implication. For the first, individuals in negotiation must function within a group, thus a negotiator should not have antisocial characteristics of a creative person. For the second, as results of studies were based on laboratory data, we do not know really the extent of the relation between such performance and real-world creativity in negotiation settings. For example, Gruber

³⁸ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

(1988) has questioned whether scoring high on a creativity test has anything to do with meaningful creative accomplishments later in life.

3.2 SYSTEM VIEWS OF CREATIVITY

The individual approach to studying creativity focus on the individual specific traits, abilities, and thought processes associated with creativity. The problem with these individually oriented approach is that it often neglect the cyclical relationship that can develop between the individual and environment, and that can result in the individual's modification of external conditions to increase creativity.

In response to the shortcomings of individual views of creativity, researchers began examining creativity from a more systems-oriented perspective. This approach has been called holistic³⁹. Within a systems-based view, creativity can still be seen as an "individualized phenomenon" (Lubart & Sternberg, 1988); however, the creative process is perceived as taking place within the context of a particular environment rather than in a vacuum. Obviously, systems-oriented views of creativity are relevant to the negotiation creativity, as creativity their can be affected in many ways. System views of creativity can help to conceptualise the multiple factors that in influence creative performance within negotiation setting.

In the view of systems theorists, creative individuals are stimulated by elements such as their circle of friends, progress in their field of research, and the dynamic of the society in which they live⁴⁰. This closely intertwined and interacting system of social networks and fields of study or enterprise, then, make creative products.

³⁹ Gardner, H., (1988), "Creative lives and creative works: A synthetic scientific approach". In Sternberg R.J. (ed.) "The nature of creativity: Contemporary psychological perspectives", Cambridge University Press

⁴⁰ Williams, W.M., Yang, L.T. (1999) "Organizational Creativity". In *Handbook of Creativity*, edited by Sternberg R.J. Cambridge University Press

Gruber (1988) calls this approach “pluralistic” and “experientially sensitive”. He directs his attention to multiple influences on creativity and to the contributions of past work in a discipline, and in light of its focus on the unique experiences of each creative individual within the context of his/her social and emotional world. Gruber was one of the founders of the evolving systems approach to studying creativity, which prompted further development of the system-based paradigm. Csikszentmihalyi, Gardner, and Simonton are among the theorists who have continued research based on the system approach.

Csikszentmihalyi (1988) makes two claims that address a small part of the question regarding features of creativity-inducing fields. He sees creativity as a product of interactions between three components: a *person* who makes changes in the contents of a *domain* that is acceptable to a *field*. Thus Csikszentmihalyi (1988) recognizes the role of the members of a person’s field as judges of person’s creative endeavours.

In negotiation, members of their field who exert considerable influence as judges surround most people. The types of judgments other individuals are expected to make, and the criteria on which they make these judgments, are two areas open to situational and organizational influence.

Gardner’s (1988) understanding of creative processes is expressed on four levels of cognitive analyses: a) the subpersonal level of genetic and neurobiological factors, b) the personal level of development in some form of human intelligence, c) the extrapersonal level of progress or development in bodies of knowledge or domain, and d) the multipersonal level of a social context of a field of inquiry that is created through interactions among colleagues in a domain. Like Csikszentmihalyi, Gardner recognizes the role of multipersonal input in the creative process, which (as was stated earlier) is an aspect of environment.

Three ways that a field can be thought of as affecting creativity are via the general contributions and resources available to individuals within the field, through the special effects a particular field may have on its domain and the nature of the creativity expressions that results, and by containing specific characteristics that either promote

or inhibit creativity⁴¹. Discussions of fields focus mainly on the first and second of these contributions.

Torrance (1988) suggests that likelihood of creativity can be improved by using sound effects to stimulate creative images and by providing warm-up exercises that are designed to free the imagination, although these techniques probably are more relevant to some types of creativity than to others.

Wealth, an audience attention, educational and employment opportunities, background knowledge, styles and paradigms, roles, norms and precedents, good teachers have all been cited as contributions relevant to the creativity expressed in particular domains, individuals, and processes. Further, field provides colleagues and friends to evaluate and confirm creativity in their domains. Stimulation and sustenance of creative processes, as well as preservation and selection of ideas, have also been proposed as necessary of any field in which creative endeavour occurs. According to Hennessey and Amabile (1988), fields also affect the motivation of individuals working within them.

One area of controversy in the field of creativity research, relevant to discussion of fields, is the extent to which creativity is presumed to be affected by the specific social and historical contexts in which it occur. On the one hand, there are authors, like Csikzentmihalyi, Gardner, Johnson-Laird, Simonton, who emphasize these contexts and believe that creativity is itself an outcome of these, whereas others, like Weisberg, discuss creativity independent of any context but that which immediately frames the product.

Sternberg (1988, 1999) underlies that the role of context is an empirical question and is open to research for future studies in the area.

⁴¹ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

What are the implications of system-oriented theories for creative performance during negotiation, given that the goal is to enhance creativity? – Many systems theorists believe that creativity occurs only when the appropriate mix of social, individual, and problem-solving elements are combined. Thus, in order to enhance creativity in negotiation it is necessary to take into consideration all the variety of factors. It also seems that individuals with any form of education and experience are probably preferable in order to increase the chances of reaching an integrative outcome in negotiation.

The system views of creativity also imply that any situation and/or state of desperation, urgency and emergency will not be the best time to negotiate. Under such conditions creativity, as well as negotiations in general⁴², seems not to function.

3.3 CREATIVITY AS A COGNITIVE PROCESS

After I have reviewed individual-focused and system-focused perspectives on creativity, I will consider theories of creativity that emphasize the creative thinking processes.

In general, psychologists have views creativity as a process, existing in a single person at a particular point in time. Cognitive approach to creativity presents an alternative to this view. Creativity here is discussed as existing in the larger system of social network, problem domains, and fields of enterprise, such that the individual who produces creative products is only one of many necessary parts. This systems view of creative processes, again, does not preclude the individual view⁴³. Rather, it provides additional insights regarding creative persons and products and their function as a whole.

⁴² Lewicki R.J., Saunders D.M., Minton J.W. (1997) "Essentials of negotiation". *Irwin Mc-Graw Hill*

⁴³ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

By far the greatest amount of agreement among researchers is the statement that creativity takes time. In fact, some authors, like Csikzentmihalyi (1988), and Johnson-Laird (1988), believe that the very nature of creativity depends on the time constraints involved and the opportunity to revise the outcomes once produced. Although not all theorists emphasize time to the same extent, the creative process is not generally considered to be something that occurs in an instant with a single flash of insight.

The fact that creative processes take time, however, does not mean that insight is no longer thought to be an important aspect of creativity. Insights are acknowledged as an origin of creative thoughts by many researchers on creativity. The issue in this debate is how “insight” is defined and the specific role that it plays in creative processes. The range of viewpoints varies a lot – from those who imply that creativity is little more than building on an initial insight to those who deny that moments of insights have any importance whatsoever for creative processes. The majority views falls in between, with flashes of insight discussed as small but necessary component of creativity.

Concerning the impetus for the process of creation, there are disagreements on this point, particularly regarding the role of chance and random deviation from traditional norms versus mindful planning to produce something creative. Barron (1988), Csikzentmihalyi (1988), Gardner (1988), Perkins (1988) suggest that creative processes involve an active search for gaps in existing knowledge, problem finding, or consciously attempting to break through the existing boundaries and limitations in one’s field. On the other hand, Feldman (1988), Johnson-Laird (1988), Langley and Jones (1988) suggest that creative products are outcomes of random variations at either the generative or selection stage in creative processes. A further alternative, intermediate between chance-dependent and completely intentional processes, is an approach that is also taken by many researchers. Specifically, creative processes may be seen as initiating from a previous failure to find explanations for phenomena or to incorporate new ideas into existing knowledge, or from a general drive toward self-organization through the reduction of chaos.

I already present the discussion about if creativity is domain-specific or domain-general phenomenon. And I pointed out that there is no agreement between researchers on this subject. However, most of them emphasise the role of domain-specific knowledge.

In spite of this discussion, several general characteristics of creative thinking, regardless of domain, have been proposed^{44, 45}. For example, creative cognitive processes, regardless of the problem on which they are focused, are claimed to involve the following: transformations of the external world and internal representations by forming analogies and bridging conceptual gaps; constant redefinition of problems; applying recurring themes and recognizing patterns and images of wide scope to make the new familiar and the old new; and nonverbal modes of thinking.

Further, researchers also agree that irrespective of particular content, the processes involved in creation require tension. At least three different ways are proposed in which tension can be observed in creative processes⁴⁶. First, one may be faced with conflict between staying with tradition and breaking new ground at each step in the process. Second, tension may lie in the ideas themselves, such that different paths to a solution or different products are suggested. Finally, it may exist in the constant battle between unorganised chaos and the drive to higher levels of organization and efficiency within the individual, or the society at large. It is likely that all three conceptions of tension are involved at some stage in the creative process, but whether or not different domains elicit more of one type than another is yet an empirical question, states Tardif (1988).

⁴⁴ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

⁴⁵ Sternberg R.J. (1999) "Handbook of creativity". Cambridge University Press

⁴⁶ Tardif, T.Z., Sternberg, R.J. (1998) "What do we know about creativity?". In *"The nature of creativity: contemporary psychological perspectives"* ed. by Sternberg R.J.

In addition to time requirements, some elements akin to insight, and the generality of processes across domains, different levels of creativity may occur. Both within domain and within the same individual at different points in time, there may be differences with respect to the amount of creative processing in which individuals engage. Einstein, in this view, may have attained a high level of creativity, or often have engaged creative thought processes, whereas a less influential scientist in his time may not have achieved such a high level.

This issue brings up another area of scientific discussion: the availability and accessibility of creative processes, both between and within individuals. According to some researchers, creativity occurs only in special individuals, like Einsteins, Freud, Mozart, Picasso, at rare moments in time. Other authors believe creativity to be a much more normative process, available to every thinking instrument, even including computers (the discussion about the artificial intelligence and creativity is not included in this paper, but the notion that some researchers believe that even computers can be creative does have interesting implication for the creativity). Thus, creative processes can be trained and improved, if one adapt “available- to- everyone” view. However, some researchers like Amabile (1983, 1995, 1996, 1997), Barron (1988), Csikzentmihalyi (1988) mean that training in creativity is not possible, as creativity is achieved only when the “right” combination of particular problems, skills, individual, and social environment comes together.

Related to the issue of the availability of creative processes between individuals is the matter of the absoluteness and uniqueness of creative processes that may be ascribed to each individual. The general view is that the processes that result in creative products are absolute. It means that multiple creations of the same creative product, such as simultaneous invention of the calculus by Newton and Leibnic cannot occur. Rather, creativity is said to be relatively to the particular person who produces the product, and each production is therefore considered to be absolute. Thus, some products may be the results of processes that are uncreative for some individuals, yet creative for others, and the process of creation itself is unique to an individual and is an emergent property of one’s interaction with the problem domain, past history, and the societal state as a whole.

The alternative, discussed to some extent by Perkins (1988), is that multiples do occur. The reason that true multiples occur is because the creation was, in some form, predictable and inevitable - all that was required was the necessary combination of ideas within a particular individual. There is nothing special about the individual or the individual's unique context in this view. Thus, when more than one person produces essentially the same product, all are deemed equally responsible for the creation, even though credit for the discovery typically is taken by the first or best-publicized individual.

Finally, the controversy over the accessibility of creative processes within individuals has been pointed out. Disagreement on the accessibility issue ensues when the role of the unconscious and semiconscious elements in creative processing are brought up. As with insight, the expression of the unconscious is sometimes conceived of as the key to creativity (Feldman, 1988, Torrance, 1988). Creativity, according to them, is accessible only by bringing unconscious elements into conscious awareness. In other views, the role of the unconscious and the question of accessibility are ignored completely. Once again, the consensus, it is said, lies in between, with unconscious elements existing and being important for creativity, but not the essence of creative thought processes.

In general, the issues addressed when one considers creative process, therefore, include the following: the time required for such processes; the role of insight and the sparks that set off creative thinking; how closely processes are tied to their products; general characteristics of creative thoughts across different domains; levels of creative processing; the need for the products of such processes to be unique in order for them to be called "creative"; and how accessible and controllable the processes are in conscious awareness.

From the discussions that were presented on these topics, I would like to conclude that the chance of reaching an integrative outcome in negotiation might be increased by the following factors. For the first, solution for the problem should be really thought through and parties should not work under constant time pressure. A sufficient amount

of time should be devoted to problem formulation and reformulation. It also implies that the use of creative thinking techniques might be fruitful in negotiations.

Further, it means that negotiation can also be a creative process and that the conflicts elements, which are present in all negotiation situation, can actually be a creativity facilitators if handed properly.

3.4 ORGANIZATIONAL VIEW OF CREATIVITY

Now I will turn to models of creativity focusing on the macro level of the organization. These models represent also the system view of creativity. They discuss the resources that organizations can provide in order to increase the creative output of their members.

Organizational view of creativity might not be that useful in negotiation context as the individual view of creativity or creativity as the thinking process. Nevertheless, many negotiations are conducted inside organizations as well as between organizations, thus I think organizational models of creativity can also have some implications for creativity in negotiations.

The most influential work on this topic has been done by Therese Amabile (1983, 1988, 1994, 1996, 1998). In Amabile's view, action must be taken by management to foster innovation and resources allocated for its development and implementation. She also delineates specific conditions and qualities that inhibit and encourage innovation, at the level of both the individual and the organizational environment.

Amabile recognizes that different environmental models can serve either to promote or to inhibit creativity. She discusses these environmental conditions in depth and expands upon her theory of creativity at the level of the individual to formulate a model of the "creativity intersection". Using three interlocking circles to represent each of the three components of creativity (domain-relevant skills, creativity-relevant

processes, and intrinsic task motivation), she illustrates that the area of overlap between the elements conveys the area of highest creativity for individuals and highest innovation for organizations. It is in this area of greatest overlap that people's domain-relevant skills overlap with their strongest intrinsic interests and creative-thinking processes. The key for organizations, then, to identify this creativity intersection for each individual, and also to enable the concurrent development of the skills, processes, and motivation central to creative performance.

Amabile proposes four criteria for models of organizational innovation: a) the entire process of individual creativity must be incorporated; b) all aspects of organization's influencing innovation should be considered; c) the phases in the organizational innovation process should be profiled, and d) the influence of organizational creativity on individual creativity should be described. Based on this conceptualisation of organizational creativity, Amabile's research has revealed that organizational environments fostering creativity share the following characteristics: considerable freedom in deciding what to do and how to do it, good project management, sufficient resources, encouragement, and atmosphere of cooperation and collaboration, ample recognition, sufficient time for creative thinking, a sense of challenge, and internally generated pressure to accomplish important goals.

Another organizational theory is presented by Kanter R.M. (1984, 1985). Her work on innovation within organization examines in depth the structural, collective, and social conditions necessary for innovation to occur. In Kanter's view, innovation begins with individuals completing tasks, working either along or in group. Next, macro-level conditions within the organization work to enhance or diminish organizational innovation. Kanter believes that some structural and social factors are more important at certain stages than at others; the goal of her model is to elucidate these structural and social factors and their impact upon innovation at different stages in the innovation process. The stages she examines consist of idea generation, coalition building, idea realization, and transfer or diffusion. In particular, her model emphasizes flexibility and integration within the organization.

Kanter notes that the innovation process is uncertain and unpredictable, that it is knowledge intensive, that it is controversial, and that it crosses boundaries. Thus, innovation is seen as being most likely to flourish under conditions of flexibility, quick action and intensive care, coalition formation, and connectedness. Kanter states that innovation is most likely in organizations that a) have integrative structures; b) emphasize diversity; c) have multiple structural linkages inside and outside organization; d) have intersecting territories, e) have collective pride and faith in people's talents, and f) emphasize collaboration and teamwork. Kanter believes that, although innovation stems from individual talent and creativity, it is the organizational context that mediates this individual potential and channels it into creative production.

Runco and Rubenson (1992) proposed a psychoeconomic model of the creative process. This model views creativity as a product resulting from economic decisions, made by individuals and systems, regarding how much human and material capital, and time they are willing to invest in creative potential. These decisions are guided by the supply and demand parameters of the society and the era, a concept that supports the systems view of creative production. These supply and demand characteristics influence the external reinforcements, consisting of either rewards or penalties, that are available for innovators.

Amabile (1988) also notes that these supply and demand characteristics define environmental conditions that can make extrinsic rewards for innovation either more or less likely. Amabile in cooperation with other authors has found evidence that such extrinsic benefits can undermine intrinsic motivation, which is central to the quality and quantity of innovation. She also acknowledges that, in some cases, extrinsic and intrinsic motivators can combine additively and enhance motivation.

Implications of the psychoeconomic model for creativity in negotiation can be as following. For the first, creativity seems to be the result of the organizational culture. Thus, the creativity level of the negotiation team and individuals can be seen as the result of organizational system of rewards and penalties. By defining an environment conducive to innovation in the organization, management can make structural and policy changes that engender creativity.

Another model presented through an economic terms is Sternberg and Lubart's (1995) investment theory of creativity. This model is based on research in cognitive psychology. The theory postulates that six resources must coincide for creative production: intellectual processes, knowledge, intellectual style, personality, motivation, and environmental context. This theory asserts that creative thinkers, like good investors, "buy low and sell high" in the world of ideas⁴⁷. Specifically, creative people generate ideas that are kind of like undervalued stocks. Initially, others view these ideas as bizarre, useless, and foolish, and the ideas are rejected. Sternberg and Lubart (1995) believe that the ideas are rejected because the creative innovator defies the crowd and makes people uncomfortable by standing up to vested interests. According to Sternberg and Lubart (1995), the majority of the people do not maliciously reject creative notions: rather, they do not realize or admit that the ideas represent valid and often superior alternative.

According to the investment theory, the creative person buys low by coming up with an idea that is likely to be rejected and derided. The person then attempts to convince other people of the value of that idea, thereby increasing the perceived value of the investment. Having convinced others of the worth of the idea, the creative person sells high, leaving the idea to others, and moves on to the next unpopular idea. Although people tend generally to want others to appreciate their ideas, universal applause for a new idea usually means that the idea is not very creative.

In negotiation context this theory suggests several things. Organizations should reward employees who are trying to be creative. The environment during negotiation should be open that parties feel secure in offering new ideas. It also means, that creative performance sometimes has more to do with negotiators having right attitude than with negotiator with the right profile and abilities. In addition, it also means that many creative individuals never attempt to share their creative insights with others, let alone try to persuade others of the merits of these insights.

⁴⁷ Williams, W.M., Yang, L.T. (1999) "Organizational Creativity". In *Handbook of Creativity*, edited by Sternberg R.J. Cambridge University Press

Summing up

Creativity in negotiation context can be viewed as an individual and/or system phenomenon. And as a system phenomenon, it can also exist as a thinking process or as a result of organizational culture. These views present several useful notions about creativity.

The individual view of creativity suggests what kind of individual traits and characteristics might be worth to look for when composing the negotiation team. For example, creative negotiator should have the ability to think metaphorically, flexibility in making decisions, independence of judgment, coping well with novelty, logical thinking skills, internal visualization and so on. On the other hand, poor social skills of a creative person are totally not acceptable in a negotiator. A good negotiator must have good social and communication skills on order to function both in negotiation team and in negotiation as general. Thus, a truly creative individual might be not functioning very well in negotiation team.

The system view of creativity takes into consideration how environmental factors, like circle of friends, progress in their field of research, and the dynamic of the society in which they live, can affect creativity. In negotiation context it means that friendly atmosphere, good communication and trust between the members of the team will facilitate both creativity and effective negotiations.

The organizational view of creativity, again, emphasises the role of environment, particularly, the role of the organizational factors. The results of research show that flat hierarchical structure, absence of bureaucracy, and organizational culture that encourage, promote and rewards both the creative thinking and the attempts to think creatively will affect creativity in a positive way.

The view of creativity as thinking process maps the cognitive processes that are involved in creative thinking. For the first it suggests, that creativity has different levels. Thus, it is possible that everybody can be at least somewhat creative. It also

suggests that creativity can be trained to some extent and creativity in negotiation can be improved by the use of creative techniques, tools and methods, for example, by imagination, visualization, and analogical reasoning. Here is the big question for researchers to find out from the thousands of existing creative tools, techniques and methods that will be most useful in negotiation context.

The process view of creativity also says that negotiation context, actually, do not only posed restrictions on creativity, as was discussed in the previous chapter. Elements of conflict, actually, facilitate the creative processes in terms of providing tension.

It has been emphasised that individual abilities and traits play the biggest role in creativity. However, if individual does not exercise creativity for the moment, but possesses at least some creative potential, it is possible to train it. The right environment can also stimulate creativity, but only if the right personal attitudes is present. The research of Kurtzberg T.R. (1998) on negotiation dyad shows, that although the additive creativity of both members of a negotiation dyad is a significant predictor of integrative joint gain, the higher individual creativity score of the negotiating dyad is an even stronger predictor of joint gains.

Taking into consideration this “individual” view of creativity in negotiations, I found two important questions about enhancing creativity in negotiation: how to make a negotiation team to be creative and how to make the other party to adapt the creative approach to the problem-solving process.

In next chapter I will present some answers to the first question. The second question constitutes a very complex problem. It demands a lot of addition literature review and presentation of many psychological terms and theories. This is not possible to do in the scope of this paper. That is why I will leave out answering this question.

4. ENHANCING CREATIVITY IN NEGOTIATIONS

I have presented the negotiation process and pointed out the challenges the negotiation context poses for creativity in Chapter II. I found out that biased perceptions, unaware usage of heuristics in inappropriate situations, and negative tendencies of group-work, like social loafing, conformity, production blocking, and downward norm settings, inhibit creativity in negotiation settings. Making a person aware of these assumptions and restrictions may be the first step in overcoming these blocks.

In Chapter III, I presented theories that views of creativity as an individual or system phenomenon, and I related the theories to negotiation context. The analyse shows that creativity seems to be mainly individual phenomenon, although environmental and organizational factors can affect creativity both in positive and negative ways. Implication of system view of creativity has some good news for creativity in negotiation context. For the first, this view of creativity advocates the fact that all of the people are creative, at least at some level. For the second, it says that and that creativity can be trained and that usage of creative tools, methods, and techniques can be a fruitful approach for effective conducting of negotiations.

I also found that the main challenge for creativity in negotiation context is the individual nature of creativity that should be make to function properly in team settings.

In this chapter I will integrate these two parts, by presenting how creativity can be enhance in negotiation context. It means, how overcome individual mental blocks and biased perceptions , as well as blocks for successful group-work.

For the second, how the organizational culture and negotiation environment can be changed in order to facilitate individual and group creativity.

4.1 ENHANCING GROUP CREATIVITY

It has been pointed in Chapter II that teamwork in negotiation represents a challenge to creativity due to certain intergroup processes. The basic problem is not teamwork

itself, but rather the social-cognitive processes that operate in teamwork and how team are managed.

Enhancing group creativity, thus, should mean to overcome these intergroup social-cognitive processes and right team management. Social-cognitive processes can be managed indirectly, by influencing mental sets, which will lead to changes in behaviour, or directly, by influencing behavior⁴⁸.

4.1.1 Mental set

In Chapter II I pointed out that to reach an integrative agreement negotiator should have the knowledge about negotiation process, negotiating subject, preferences and aspirations of both parties. In addition a negotiator should have cooperative attitude and win-win approach to negotiation. Thus, in order to be creative, a negotiator should acquire knowledge and work on their attitudes before negotiation. Management task here is to motivate members of negotiating team to do so.

Establishing purpose and Intention. Purpose is essential to creative expression – nobody paint a picture without intending to do so. Moreover, there is some evidence that people can sometimes behave more creatively – produce more creative responses – than they otherwise would if only they are asked to do so⁴⁹. In addition, Perkins (1981) noted the importance of willingness to commit oneself to develop one's creative potential.

Creativity as it is can hardly be thought as the only one goal of negotiations. But to improve it, it can be defined as one of the subgoals, or one of goals while preparing for negotiation.

⁴⁸ Lazear E.P. (1998) "*Personnel economics for managers*". Jojn Wiley & Sons, Inc. New York

⁴⁹ Nickerson, R.S. (1996) "Enhancing creativity". I: *Handbook of Creativity*, edited by Sternberg R.J. *Cambridge University Press*

Building Basic skills. A solid grounding in the skills that are generally considered fundamental to a basic education is conducive, if not essential, to the development of creative potential. Some conceptual models of creativity explicitly recognize various levels of creative activity and see the higher-level abilities resting on the lower-level ones.

Encouraging acquisition of domain-specific knowledge. Knowledge of a domain does not always lead to creativity, but such knowledge does appear to be a relatively necessary condition for it. The results of biographic research have shown that people who do noteworthy creative work in any given domain are almost invariably very knowledgeable about the domain.

Many investigators gave the importance of domain-relevant knowledge considerable emphasis – Cromptley, 1992; Csizsentmihalyi, 1996; Garner, 1993; Weisberg, 1988.

On the other hand, some investigators have argued that very high levels of domain-specific knowledge can, in some instances, work against creativity. The idea is that experts in an area can become so committed to a standard or “correct” way of approaching problems in their area of expertise that they are unlikely to consider the possibility of alternative approaches (Sternberg, 1988, Simonton, 1988).

Stimulating and rewarding curiosity and exploration. Finke and his colleagues have demonstrated the importance of playing with combinations of pictorial parts in the generation of creative visual patterns (Finke, Ward, Smith, 1992). Intellectual playfulness – finding it entertaining to play with ideas – appears often to be a characteristic of creative adults as well⁵⁰. There is a great deal of whimsy and play, for example, in much of the thinking that scientist do – a considerable amount of toying with ideas and fantasizing. Here the emphasis is on curiosity as a personal trait and on attitudes that are so deeply ingrained that they determine one’s lifestyle. The type of curiosity that evokes the expression of creativity is seen in a persistent reluctance to take things for granted and scepticism of “obvious” explanations.

⁵⁰ Nickerson, R.S. (1996) “Enhancing creativity”. I: Handbook of Creativity, edited by Sternberg R.J. Cambridge University Press

The ability to see things from different perspectives, especially novel or unusual perspectives, and the willingness and ability to change one's perspective – to reformulate a problem on which one is making little progress – have been stressed by many investigators as important aspects of creative thinking (Perkins, 1990; Sternberg and Lubart, 1992; Finke et.al.; 1992)

Building motivation. As was discussed earlier, some investigators of creativity put a lot of weight on motivation for creativity. "Passion" is often used to describe the attitude of productive scientists and artists about their work. Weber and Perkins (1992) point out that creative breakthroughs usually occur following concerted efforts that, in many cases, have been made over several years.

The discussion between motivation that is internally generated and that which comes from sources outside has received much emphasis in the literature. There seems to be a broad consensus among researchers that internal, or intrinsic, motivation is a more effective determinant of creativity than is external, or extrinsic, motivation. Some researchers even claim that external motivation cases can actually undermine creativity under certain conditions, for example in the case of some scientists and artists⁵¹. The reason for this might be the effect that external reward has on internal motivation. If the reward is perceived as the reason for having engaged in the activity, its receipt may have an adverse effect on internal motivation, but if it is not perceived in this way, it may help sustain interest.

The difference between internal and external motivation, according to one view, is a matter, at least in part, of perceived locus of control⁵². One is externally motivated when one considers one's involvement in some activity to be under someone else's control. This has implication for the effectiveness of external evaluation of creative activities, states Amabile (1983). She found out that if the evaluation conveys external control over task engagement, then internal motivation can be expected to decrease; if it conveys positive competence information, then internal motivation can be expected

⁵¹ Lazear E.P. (1998) "Personnel economics for managers". John Wiley & Sons, Inc. New York

⁵² Nickerson, R.S. (1996) "Enhancing creativity". I: Handbook of Creativity, edited by Sternberg R.J. Cambridge University Press

to increase. In negotiation settings it means that evaluation of the ideas from the team-leader should be done carefully.

Generally, the importance of motivation in creativity is well documented. One who strongly wishes to be creative is far more likely to be so than one who lacks this desire. Creativity researchers are generally also agreed not only that motivation is essential for creativity, but also that internal motivation is a more effective determinant of creative productivity than is external motivation. As it was pointed out, internal motivation for creativity can be partly stimulated by the desire for recognition of accomplishment. However, Lubart and Sternberg (1995) noted the invert-U relationship between the internal motivation and the desire to be recognized. Desire for recognition, if too strong, can work against creative productivity, and is unlikely to be effective in any case.

The fact, that the person with the strong desire to be effective in terms of creating an integrative agreement is likely to succeed in it, seems also to be true for negotiation. As was presented in the Chapter II, distorted perceptions and systematically biased behavior are the main roadblocks on the way to successful integrative outcome. Thus the person, who is willing to be an effective negotiator, will put much more efforts to work on the perceptions and overcome the biased behavior.

The question of exactly how external motivators should be used is still a subject for empirical research.

Encouraging confidence and a willingness to take risks. Timidity is not conducive to creativity. Fear of failure, fear of exposing one's limitations, and fear of ridicule are powerful deterrents to creative thinking, or at least to public exposure of products of creative efforts. People who are highly susceptible to pressures to conform tend not to be creative (Crutchfield, 1962).

Confidence comes with successful experiences. Especially for people who may have had few such experiences in the past, what is required is an environment that encourages and rewards creativity effort per se; even when it is not highly successful, effort itself must be rewarded. The importance of an environment, which supports creativity, has been emphasized by many investigators.

From this point of view of encouraging confidence and a willingness to take risks, the teamwork in negotiation play as a positive factors. Research of teamwork has proven that team, in generally, are more risk seeking than individuals. In addition, problem framing can affect the risk attitude. As research of Bazerman shows, framing issue in the terms of losses make people risk-averse and less enthusiastic in trying to solve the problem, while framing the issue in the terms of gain makes people risk-seeking and more efficient in problem-solving.

Promoting supportable beliefs about creativity. The importance of beliefs as determinants of the quality of one's thinking and intellectual performance more generally has been emphasized by several writers. Beliefs sometimes become self-fulfilling prophecies. This is true of beliefs that people holds about the determinants of their own capabilities and of beliefs that leaders/managers/supervisors/role model hold about the extent to which they believe in your.

This notion is also true in negotiation. Lewicki et.al.(1997) point the faith in one's own problem-solving ability as one of the factors that facilitate successful integrative negotiation.

4.1.2 Behavioral set

Developing self-management (Metacognitive) skills. An important aspect of the growing interest in metacognition in recent years has been an increasing emphasis on the role of self-management – intentional monitoring and guiding of one's own behavior – in human performance. Studies have shown that people can learn to exercise better control over their performance in various contexts than they tend to exercise spontaneously⁵³. Runco and Albert (1990) ahs stressed the importance of self-evaluating skills and metacognition more generally to creative thinking.

⁵³ Nickerson, R.S. (1996) "Enhancing creativity". I: Handbook of Creativity, edited by Sternberg R.J. Cambridge University Press

Self-management involves becoming an active manager of one's cognitive resources – knowledge base and mental models. It is, in part, a matter of paying attention to one's own thought processes and of taking responsibility for one's own thinking. It involves learning of one's own strengths and weaknesses as a creative thinker and finding ways to utilize and to mitigate or work around the weaknesses.

Bazerman M. was one of the first to point out the main heuristics in negotiation and prescribe a rational behavior to avoid them. Following the rational model of negotiations can be seen as exercising metacognition.

Creative pursuits are time consuming. The historical research on biographies of many eminently creative people has shown that they have structured their lives so as to ensure the availability of time for their creative activities on a regular basis. Time management can also be learned. In negotiation setting it might mean that in spite the fact, that creativity takes time, some level of creativity is possible to exercise with time management.

Teaching techniques and strategies for facilitating creative performance. A variety of techniques, strategies, tool, methods and heuristics have been proposed to aid thinking and problem solving generally. The literature review on negotiation showed that the most used one is Brainstorming, Brainwriting, Nominal Groups, The Delphi technique, and Analogical reasoning.

Brainstorming is one of the earliest techniques for a structured approach to the enhancement of creativity developed by Osborn A.F. (1957). This technique, designed specifically for use by groups, involves attempting to evoke ideas by providing a social context that gives free reign to imagination and reinforce the use of it. The rules encourage participants to express ideas, no matter how strange or wild they may seem and forbid criticism during the brainstorming session. It is assumed that people's imagination will be stimulated by the ideas express by other and that they, in turn, will be able to express their own in relatively uninhibited fashion.

Whether brainstorming increases creativity or simply increases the expression of ideas by lowering the standards for what is expressed –lowering the normal level of self-

criticism- is still debatable⁵⁴. In spite of this, mentioned techniques became extremely popular and was incorporated to almost all steps of problem-solving process⁵⁵ – define the problem, identify criteria, generate alternatives and, even, sometimes to compute the optimal decision.

In spite that brainstorming has been design for groups, as group is more likely to generate much more ideas and then to pick a good one, a lot of empirical investigations of group brainstorming are strongly negative about its effectiveness compared to solitary brainstorming⁵⁶. Thompson (2000) explains the results by the social-cognitive processes that operate in teamwork and the way teams are managed. She refers to these problems as social loafing, conformity, production blocking, and downward norm setting. These cognitive processes direct the thinking into convergence, thus inhibiting creativity. The group must be engaged in two types of cognitive processes in order to be creative – the divergent and convergent thinking.

Thus, in negotiation settings and with group-work creative techniques should emphasize both types of thinking.

Brainwriting is another form of Brainstorming. Brainwriting works like this: at various key points in time during a brainstorming session, group members will cease all talking and write down their own ideas silently. Writing ideas instead of speaking them eliminates the problem of production blocking, since group members don't have to wait their turn to generate ideas. It may also reduce conformity, since the written format eliminates the need for public speaking. Then the written ideas can be subsequently shared by the group in a round-robin fashion and summarized on a blackboard or flipchart⁵⁷. This way Brainwriting seems to increase group creativity as well.

⁵⁴ Nickerson, R.S. (1996) "Enhancing creativity". I: Handbook of Creativity, edited by Sternberg R.J. *Cambridge University Press*

⁵⁵ Bazerman, M.H. (2002) "*Judgment in Managerial Decision Making*". 5th ed. New York: Wiley

⁵⁶ Thompson, L. (2003) "Improving the creativity of organizational work groups". *Academy of Management Executive*, 2003, Vol. 17., No. 1

⁵⁷ Thompson, L. (2003) "Improving the creativity of organizational work groups". *Academy of Management Executive*, 2003, Vol. 17., No. 1

In the nominal group technique, negotiators must start with the problem as defined; each one then individually prepares a written list of possible solutions. Participants are encouraged to list as many solutions as they can. Then they meet in small groups and read their solutions aloud while a recorder writes them on flip charts or a blackboard. Particularly in a large group, this approach can generate a great number of possible options in a short period of time. All those working on the problem later on can examine these solutions then.

Another variant of the nominal group technique is the Delphi technique. In this technique, group members do not interact in a face-to-face fashion at any point. This technique requires a leader or facilitator. The entire process proceeds through questionnaires followed by feedback, which can be computerized. The leader distributes a topic or question to members and asks for responses from each team member. The leader then aggregates the responses, sends them back out to the team, and solicits feedback. This process is repeated until the issue in question is resolved.

The Delphi technique provides maximum structure, ensures equal input, and avoids production blocking. The technique is a good alternative for teams who are physically separated but nevertheless need to make decision. Because members respond independently, conformity pressure and evaluation apprehension are limited. One problem associated with this technique comparing to, for example, brainstorming, is that it can be quite time-consuming. Other limitations are that the real priorities and preferences of group members may not get expressed, and the way problem is defined and shaped early in the process will greatly determine the outcome achieved. Delphi technique may thus tend to generate compromise settlement rather than truly creative, integrative solution.

Analogical reasoning is the act of applying a concept or idea from a particular domain to another domain. To the extent that teams can recognize when a particular known concept might be useful for solving a new problem, creativity can be enhanced. The problem is that it is not easy to transfer relevant information from one domain to another; people almost always tend to solve problems based on their surface-level similarity to other situations, rather than on their deep, or structural, similarity (Finke et.al, 1998; Thompson, 2000). This tendency points to a serious problem with creative

teamwork: people usually have the knowledge they need to solve problems, but they fail to access it because it comes from a different context⁵⁸. This type of problem is known as “inert knowledge”.

Another technique for improving creativity in negotiation that I would like to suggest is visualization and usage of visual analogies. These techniques are not frequently mentioned in negotiation literature, but the results of several studies show that this is a techniques that are widely used by experts. For example, expert problem solvers frequently report the use of visualization and visual analogies when attempting to solve difficult problems (Shepard, 1978). Larkin and Simon (1987) found that experts tended to construct visual diagrams when given verbal description of a problem; this facilitated searching for relevant information in the problem, recognizing important patterns and relations, and handling complexity. Similarly, Meyer (1989) found that using visual diagrams and illustrations helped people to answer hypothetical questions about how various types of inventions could be improved. Visual representations are also useful in attempting to solve problems involving analogies and ordered relations (Beveridge and Parkins, 1987).

Visualization can be used in many ways to enhance creativity. People can create novel images, scan them to explore their emergent properties, transform them to gain new insights and perspectives, and interpret them in a variety of different ways. Human can even discover new ideas for creative symbols and inventions, entirely within our imagination. It is possible due to the nature of mental imagery and its salient features.

Imagery can be used to recall useful information, determine directions and other spatial relations from memory, and explore future changes and transformations. Images have some basic properties. These properties can help us in many ways, also because imagery and perception seem to share many of the same information-processing mechanisms in the human visual system⁵⁹.

⁵⁸ Thompson, L. (2003) “Improving the creativity of organizational work groups”. *Academy of Management Executive*, 2003, Vol. 17., No. 1

⁵⁹ Finke R.A. (1986): “Mental imagery and the Visual System”, *Scientific American*, No. 254

Images often allow mind to recall information about something that we have never previously committed to memory. Many of the subtle details about the experiences are not stored in our memory as explicit facts, but are stored as visual impressions, which can be recalled using images. So, if we do not remember all the details, we can form a mental image of the object/event and then detect details when we enlarge or enrich the image. This is one of the basic properties of images. It is called “fine details resolving”: when we forming large mental images of objects, we can often detect fine details that would not be noticeable in smaller images.

When recalling various details using images, we often scan across our images, in much the same way that we might move our eyes or shift our attention to scan across actual visual scenes. This scanning process allows us to efficiently “move” our focus from one part of an image to another. Experiments on mental image scanning⁶⁰ have shown that it takes more time to scan greater distances in images. It thus appears that images have a property analogous to the spatial extent of an actual map or figure: the farther away a feature is on an image, the longer it takes to scan to it⁶¹.

Another property of mental transformation is that most of them are inherently dynamic. Within our imagination, we can turn things around, make objects grow larger or smaller, or even change the shapes of objects. This ability can be extremely useful. It allows us to anticipate how objects might look if rotated, moved, or changed on other ways, so that we could still recognise them and prepare to act.

Ward et al.(1995) have found that our ability to transform mental images can often stimulate creative insights by giving us fresh perspectives on familiar things. When people imagine three-dimensional objects or scenes, for example, they are often able to visualize how those objects or scenes would look from completely different vantage point.

⁶⁰ Kosslyn S.M., Ball T.M., Reiser B.J.(1978): “Visual Images preserve metric spatial information: evidence from studies of Image Scanning”, *Journal of Experimental Psychology*, No. 4

⁶¹ Ward T.B., Finke R.A., Smith S.M. (1995): *Creativity and the mind: discovering the genius within*. Plenum press. New York and London

So, infusing subtle details into mental images, scanning the images to make note of those details, and recasting the images to see things in different perspectives can all inspire original discoveries. In addition, it had been shown, that we are able to detect so called “emergent features” and by detecting them we can greatly enhance our ability to uncover something new.

Emergent features are those properties of the image that become salient when we combine the parts of an image. These properties can come into play in our imagination even though they were not evident initially. At first, an image is constructed from knowledge that we have already acquired. Once assembled, however, an image can bring divergent aspects of our knowledge together. As a result, the image can exhibit novel, emergent features, depending on the way the previous knowledge structures or components were combined. In imagery the whole is often more than the sum of the parts. Even slight changes in an images form can produce emergent features. Insightful, emergent features can often arise when we remove something from a conventional image. Mentally combining images can also induce emergent features.

Several studies have been done on this subject and all of them had confirmed that usage of mental imagery can stimulate inventions. It also have been found that where people have made important discoveries by shifting their focus away from particular problem, and by noticing something alluring about an unexpected result. That’s why it was recommended to wait before trying to interpret a mentally synthesized form. For instance, when combining parts in imagination, it is better to start out by creating forms that seemed inviting and important only in a very general sense, before committing yourself to developing a particular type of invention. For invention, it is also better sometimes not to know exactly what are you trying to invent when you begin to explore creative ideas.

4.2 ENHANCING ENVIRONMENT AND CULTURE IN NEGOTIATION

Many managers of organizations would like to unleash their creative thought processes and those of their work groups. The typical approach, as was said, is to focus on the

individual. However, organizational creativity and innovation are never solely the result of individual action. According to Csikszentmihalyi (1988), creativity and innovation are the products of three main shaping forces: the field, the domain, and the person.

The notions of both “field” and “domain”, how they defined by Csikszentmihalyi emphasise preserving of good practices and ideas for other to learn, Thompson (2000) suggests a creation of organizational memory to do so. Creating an organizational database with negotiation cases, processes and outcome might be a useful tool in facilitating learning, creativity and gaining expertise. This is because among the biggest drains on group performance is the repetition of ideas and the forgetting of ideas.

Another suggestion presented by Thompson (2000) for improve the organizational environment for creativity is “to create a playground”. There is no single recipe for the design of the playground. The basic idea for it is to break with old ideas about what it means to be at work. Thomson L. notes, that spaces that are designed to foster creativity involve a lot of fun elements. This idea seems to be not that suitable in negotiation context, because creativity is definitely not the prime goal of negotiations. But, in general, organizing the negotiation meeting in somewhat unusual and relaxing surroundings may have a positive effect on negotiation’s outcome.

Further, putting sufficient time for negotiation in combination with effective time management may help creative thought to flourish; and the creation of trustful, positive, cooperative atmosphere.

Williams and Yang (1998) provide a lot of evidence that that traditional organizational structure with stable environment, vertical, hierarchical structures, and formalized regulations and decision-making also inhibits creativity. In group settings it would mean, that homogeneous, stable structure of the group with the strong authoritarian leader will inhibit group creativity.

There many other factors than influence group and organizational creativity and negotiation process, like type of leader, motivation, management of negotiation team,

and communication, but these are very voluminous topics and I would not be touching upon them in this paper. Another big topic about how to communicate your creative efforts to other party and then how to make them to be creative, in case of non-cooperative others, is also worth looking at in negotiation settings. But I will not do in this paper either.

5. CHAPTER IV. CONCLUSIONS, LIMITATIONS, IMPLICATIONS

Given the importance of the negotiation process and growing interest for integrative solutions, creativity in negotiation problem solving and decision-making has never been more important. The management consulting industry has blossomed as a direct result of this tendencies and negotiation classes, workshops, and courses have become extremely popular. Consequently, a lot of attempts have been made and a lot of different methods have been proposed to integrate creativity into negotiation process. Very quickly it became rather difficult task, due to the lack of scientific research on this topic as well as very big body on literature on creativity.

In this paper I was exploring the nature of creativity in negotiation settings and summarise possible ways on enhancing creativity in negotiation settings.

Literature reviewed has shown that creativity has its origin in individual traits, abilities and skills. Persistence, commitment, and determination are needed from individual in order to be creative. In addition, there is an extended period of preparation. As it was stated in research, it typically takes people at least 10 years to learn their domain, thus to become an expert. In most ways, experts are ordinary people. What makes them unique is that they see or structure problem differently than average people. And as it is in the case of negotiation, the key to solving a problem lies in the way that it is represented.

However, creative result is never solely the result of purely individual action. The field and domain play an important part in it too. Negotiation situation presents a very special context for creativity with the ability both to inhibit it and to facilitate. In this paper I have pointed out some inhibiting and facilitating factors, and summarised the suggestion, taken from the literature, about how the negotiation processes can be improved in order to enhance creativity.

As it has been showed, the creativity in negotiation is a very complex phenomenon. It stems from individual talent and abilities. But then there both the negotiation context as well as the organizational environmental might affect it.

The main problem with creativity and negotiation process is the tug of war between the creative thinker whose ideas are fostered through solitary work, and the multiparty, interpersonal, team-oriented negotiation process, which focuses squarely on working with others within the system. The challenge in negotiation, then, is to achieve a balance between these two types of thinking and performing, so that creative ideas are available and are cultivated within negotiation settings.

The main shortcoming of this paper I assume to be its purely theoretical nature. As was mentioned before, researchers on systematic view on creativity, like Gruber (1988), Csikzentmihalyi (1988), Gardner (1988), Simonton (1988), Amabile (1983, 1996, 1997), and Kanter (1984, 1985), state that only experimental research can confirm or disconfirm relations between particular environmental factor and creativity.

The second shortcoming of this paper is limited to literature used. Creativity is an extremely complex phenomenon that have been studied and analysed from many perspectives, like mystical, pragmatic, psychodynamic, psychometric, and many others. Creativity can realize itself in many forms. The main of them are “four Ps⁶²”: person, product, process, and press (environment). There is no one common definition of creativity, although most of the researchers agree upon the two major traits of creativity: novelty and usefulness. It is not possible to make the overview of everything in one paper.

Negotiation is also rather complex phenomena. Thus it was also not possible to discuss all the implications of Theories of creativity in each and every negotiation settings.

⁶² Basadur, M., Runco, M.A., Vega L.A. (2000) “Understanding how creative thinking, skills, attitude and behaviors work together: a causal process model”. *The Journal of Creative Behavior*. Vol. 34, No.2

The third shortcoming of this paper lies in choice of “point of departure”. Although creativity researchers have managed to ask a lot of deep and interesting questions about creativity, they have generally not succeeded in answering them⁶³. Feldman (1998) notes that the amount of research on creativity has increased during the past two decades but still lags far behind most mainstream topics on psychology. Nickerson (1996) admits at the outset of the article that much of what he has to say is speculative. He also notes that much of the literature on which he draws is speculative.

In general, there is a lack of consensus on such basic clarifying issues in creativity as whether creativity refers to a product, process, or person; whether creativity is personal or social; whether creativity is common or general, whether creativity is domain-general or domain-specific; and whether creativity is quantitative or qualitative.

In my paper, I tried to present most of the discussion on this topic, however, to analyse and to draw some conclusions about the nature of creativity in negotiation I have to take some standpoints.

The implication of this paper for the future research will be to test the individual nature of creativity in negotiations and the effects of different environmental factors on creativity during negotiations.

Unfortunately, there is no much literature available on the methods of studying creativity in negotiation context. However, I think that some of methodology on studying creativity in organizational setting might be useful here, as well as the research on creativity, conducted by Kurtzberg T.R.(1998) and Røvang O.A (2003).

I also see some practical implications of this paper for enhancing creativity in negotiations. For the first, a special attention should be paid to the individuals who will constitute the creative team. Such individual should be open, flexible, solution-oriented, and cooperative. In addition, he/she should be a quick learner in order to be capable of training. These individuals should be good team-players.

⁶³ Mayer, R.E. (1998) “Fifty years if creativity research”. In “*Handbook of Creativity*”, edited by Sternberg R.J. Cambridge University Press

For the second, experts and expertise should be preserved and kept in organizations. Since creativity can be trained it means that a creative expertise can also be developed⁶⁴. To do so literature suggests the usage of various strategies for creative problem solving and principles of creative cognition to develop of cognitive skills related to expert creative thinking. These skills, as Finke et. al.(1995) state, would be founded on deeper understanding of the cognitive processes underlying creativity, particularly those that are involved in generating ideas, combining existing concepts, and evaluating them. Such skills would be especially helpful in situations where the usual problem-solving rules and heuristics would not apply. In negotiations situation it can be, for example, reframing of the negotiation problem or creating a bringing solution in integration.

For the third, a balance between individual and group work in negotiations should be achieved.

⁶⁴ Finke, R.A., Ward, T.B., Smith S.M. (1992) "Creative Cognition: Theory, Research, and Applications". *A Bradford Book*. The MIT Press, Cambridge, Massachusetts; London, England

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