

Press release

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How can we overcome negotiation impasses? New research from ESMT Berlin explores effective solutions

New research from ESMT Berlin explores how negotiators can effectively solve negotiation breakdowns and prevent bitter deadlocks. The researchers identified three different types of negotiation impasses; wanted, forced, and unwanted.

Martin Schweinsberg, assistant professor of organizational behavior at ESMT Berlin and a leading expert in negotiations, together with professor Stefan Thau from INSEAD and professor Madan M. Pillutla from London Business School, examined the impact of impasses in negotiations research. Much of the research on negotiations ignores impasses – situations in which one or two parties discontinue the negotiation, because one or both parties prefer no agreement, or because they could not reach an agreement even if they would have benefitted from the agreement.

Professor Schweinsberg says, “Many business activities entail negotiations, whether it’s defining a deadline, convincing a stakeholder to support a new strategy, or deciding on a business acquisition. Research shows that leaders spend around 15% to 26% of their working hours negotiating – and many of these negotiations end without an agreement. Understanding why negotiations end with an impasse can help leaders become more effective, improve business outcomes, and make employees happier”.

The researchers reviewed and systematically coded more than 1,000 research papers on negotiations to understand what we know about why negotiations end without an agreement. Three specific types of negotiation impasses emerged from this careful analysis, and each impasse type requires specific solutions to be resolved.

Wanted impasse

Wanted impasses occur when both parties desire an impasse, potentially caused by egocentric biases, time pressure, impoverished communication channels, or simply because they have more attractive alternatives. Wanted impasses can be resolved by negotiating on the levels of interest not positions, accelerating negotiation processes, and offering symbolic concessions.

Forced impasse

Forced impasses occur when one party seeks an impasse against the will of the other party and can be caused by interpersonal factors including extreme first offers, dominance, and anger expressions. Forced impasses are resolved by taking the other party’s perspective, swapping lead negotiators, and eventually mediation or arbitration.

Unwanted impasse

Unwanted impasses occur when neither party seeks an impasse, and the negotiation still ends without an agreement. Unwanted impasses can be caused by high levels of informational complexity, distorted framing of the negotiation, or by agents. Unwanted impasses can be resolved by framing the negotiation

so that both parties recognize the negotiation’s win-win potential, by reducing the agent fees, or by simplifying complex information.

1) Impasse causes	2) Impasse types			3) Impasse resolution
	<i>Wanted</i>	<i>Forced</i>	<i>Unwanted</i>	
Structural				>> Change negotiation structure
Strong BATNA	✓	✓ *		• <i>Negotiate on the levels of interests, not on positions.</i>
Impoverished communication channels	✓	✓ *		• <i>Negotiate over a different communication channel, and develop a shared identity and cognitions.</i>
Time pressure	✓	✓ *		• <i>Accelerate the negotiation process and reduce overwhelm.</i>
Sacred values	✓			• <i>Offer symbolic concessions, appeal to status.</i>
Group negotiations	✓			• <i>Negotiate on dyadic level, not on group level.</i>
Agents			✓	• <i>Increase bargaining zone by reducing agent’s fee.</i>
Interpersonal				>> Persuade other party
Extreme offers		✓		• <i>Construct range offers, shift counterpart’s focus to their minimum.</i>
Dominance		✓		• <i>Negotiate based on alternatives, not based on dominance.</i>
Anger expressions		✓		• <i>Swap lead negotiators, focus on process (follow rules, be punctual).</i>
Reciprocal communication	✓			• <i>Foster rapport and cooperative interactions.</i>
Intrapersonal				>> Debiassing both parties
Information complexity			✓	• <i>Reduce informational complexity, use creative heuristics.</i>
Close/distant framing			✓	• <i>Frame negotiation in line with the level of integrative potential.</i>
Gain/loss framing	✓	✓ *		• <i>Frame the negotiation positively, in terms of gains.</i>
Egocentric biases	✓			• <i>Consider objective standards (market prices), be aware of biases.</i>

Table 1: The Impasse Cause, Type, and Resolution Model (ICTR Model)

The negotiation experts suggest that academic research on negotiation impasses is rare partially because negotiation exercises assume that a deal will take place and ignore impasses how to deal with negotiations that end without an agreement.

“In classroom and laboratory situations, impasses are rare,” says Professor Schweinsberg. “Their prevalence in the real world (around 29% of negotiations, according to our survey) is not mirrored in the negotiation literature. Leaders need to be effective when negotiations are deadlocked and negotiation scholars should help leaders with that.”

The findings can help management scholars understand the mechanism underlying challenges across all kinds of negotiations, whether they are at the personal, professional, or organizational level.

This research was published open access in the Journal of Management and can be read for free here: <https://negotiationimpasses.com/paper/>

About ESMT Berlin

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