European Journal of Social Psychology

WILEY
EASP

RESEARCH ARTICLE OPEN ACCESS

Thinking Beyond the Bargaining Table: Negotiators' Perceptions, Behaviours and Outcomes in Negotiations Affecting External Parties

Kai Zhang[1] | Hong Zhang[1] | Hillie Aaldering[2,3] | Johann M. Majer[4] | Roman Trötschel[1]

[1]Institute for Sustainability Psychology, Leuphana University Lüneburg, Lüneburg, Lower Saxony, Germany | [2]Department of Military Management Studies, Faculty of Military Sciences, Netherlands Defense Academy, Breda, The Netherlands | [3]Organization Sciences, VU Amsterdam, Amsterdam, the Netherlands | [4]Institute for Psychology, University of Hildesheim, Hildesheim, Germany

Correspondence: Kai Zhang (kai.zhang@leuphana.de)

Received: 10 September 2024 | **Accepted:** 13 May 2025

Keywords: external parties | interdependence | mindset | negotiation externalities | proximity effect

ABSTRACT

Although many negotiations affect external parties, prior research has often overlooked how negotiated agreements shape the outcomes of those who are dependent on–but absent from–the bargaining table. Across one scenario and three interactive, face-to-face negotiation experiments ($N = 458$), we investigated how, when and why negotiators consider the outcomes of external parties. Using a novel experimental paradigm, we introduced the proximity effect–the tendency for negotiators to achieve higher joint outcomes with their direct counterparts than for affected external parties. Experiments 1 and 2 provided consistent evidence for this effect, even though improving outcomes for external parties did not come at a cost to negotiators' own joint gains. Experiment 3 showed that the proximity effect was moderated by the interdependence structure: It disappeared under positive interdependence but persisted under negative interdependence. In Experiment 4, prompting an interdependence mindset reduced the proximity effect and improved outcomes for all involved parties. An internal meta-analysis confirmed the robustness of these findings, offering theoretical and practical insights for future research on negotiations affecting external parties.

1 | Introduction

In July 2021, the European Union accused Volkswagen and BMW of having negotiated an agreement to delay the roll-out of diesel emission-reducing technology. While this agreement lowered production costs for the companies, it imposed substantial negative consequences on parties beyond the bargaining table–such as increased public healthcare costs, reduced access to cleaner vehicles and financial harm to competing firms (Riley 2019). This case exemplifies what we refer to as negotiation externalities: indirect benefits or costs imposed on parties who are not involved in the negotiation but are structurally affected by its outcomes (Buchanan 1971; Trötschel et al. 2022). In this example, external parties–including competing manufacturers and the public–were directly impacted by the agreement yet lacked any representation in the negotiation process. More broadly, many negotiations yield such consequential spillover effects on stakeholders who are absent from the table but dependent on its results. These dynamics arise across diverse domains–from legal disputes (e.g., divorce settlements affecting child support or custody), to business transactions (e.g., procurement contracts disadvantaging excluded suppliers), and political decisions (e.g., school openings reducing enrollment in neighbouring districts). Despite the prevalence of negotiations that affect external parties, negotiation research has rarely examined whether–and under what conditions–these parties are considered by the

Kai Zhang and Hong Zhang contributed equally to this article.

decision-makers at the table (Trötschel et al. 2022; van Treek et al. 2023; Zhang et al. 2021).

This omission is consequential. Understanding whether and how negotiators account for externalities is crucial for capturing the broader economic and social impact of negotiated agreements. For example, in trade negotiations–where agreements shape pricing, regulation and market access across borders–considering external effects can lead to more stable, equitable, and forward-looking outcomes (Jones and Baumgartner 2005; Urbig et al. 2012). Acknowledging such spillover effects also supports more informed decisions about how to allocate resources and distribute risks (Majer et al. 2022; Pigou 1920). Moreover, not only is addressing externalities important for those affected external parties, it can also serve negotiators' long-term interests. Failure to consider external consequences can result in reputational damage, legal sanctions or future opposition, as seen in the fines imposed on German automakers for neglecting societal impacts (Jang et al. 2018; Trötschel et al. 2022).

While the importance of negotiations affecting external parties has been conceptually acknowledged (Lax and Sebenius 1986; Menkel-Meadow 2009), empirical research on how negotiators perceive and respond to such externalities remains limited. In this research, we examine negotiators' perceptions, behaviours and outcomes in situations where their agreements have consequences for structurally affected external parties. Specifically, we address three central questions: (1) To what extent do negotiators consider the outcomes of affected external parties? (2) When and how do they do so? and (3) Can an interdependence mindset improve outcomes for both negotiating parties and external stakeholders? To investigate these questions, we developed a structured experimental paradigm that adapts and extends established negotiation designs to include external parties whose outcomes are shaped by–but who are not represented in–the negotiation process (e.g., van Treek et al. 2023). This paradigm enables a systematic examination of negotiations involving externalities while preserving the core dynamics of joint decision-making. Importantly, negotiators in this setting can create value for both themselves and the external parties–yet they may also disregard external outcomes without incurring any cost to their own.

At first glance, it may seem self-evident that negotiators prioritize agreements with their direct counterparts over the outcomes of uninvolved external parties. Negotiations at the table offer immediate incentives–such as favourable trade-offs and the avoidance of impasse (Majer et al. 2022; Shalvi et al. 2013)–while the consequences of externalities, including reputational harm or regulatory penalties, may be uncertain, long-term or easily discounted. However, research in stakeholder theory and strategic management underscores the benefits of considering external stakeholders: organizations that attend to the concerns of those affected by their actions tend to achieve better performance and reputational outcomes (Donaldson and Preston 1995; Freeman 1984; Friede et al. 2015; Porter and Kramer 2006). In this research, we examine whether–and under what conditions–negotiators take external parties' outcomes into account. We do so under conservative conditions: our paradigm eliminates self-interest as a constraint, allowing negotiators to accommodate external parties' positions without incurring any cost to their own.

By examining how negotiators respond to external parties–stakeholders who are absent from the table but structurally affected by negotiated agreements–this research sheds light on a critical yet largely overlooked feature of many real-world negotiations. Departing from predominantly economic approaches, we adopt a psychological perspective that focuses on how negotiators perceive and respond to non-represented external parties. We extend negotiation research by revealing and introducing the proximity effect: the tendency for negotiators to neglect the outcomes of external parties, even when accommodating them imposes no cost (Jang et al. 2018). Theoretically, we bridge negotiation theory with interdependence theory by introducing the characteristic features of the relationship between negotiation parties at the table (i.e., mutual dependence) and external parties beyond the table (i.e., unilateral dependence; Kelley and Thibaut 1978). We further identify outcome interdependence–whether external parties are positively or negatively affected by negotiators' outcomes–as a critical boundary condition of the proximity effect (Balliet et al. 2017; Kelley and Thibaut 1978). Practically, we develop and test a psychological intervention–the interdependence mindset–which enables negotiators to improve outcomes not only for themselves and their counterparts but also for affected external parties.

1.1 | Externalities in Negotiations and New Outcomes Measures

Externalities are present 'whenever the behavior of a person affects the situation of other persons without the explicit agreement of that person or persons' (Buchanan 1971, p.7). In societal systems, they reflect a fundamental tension between individual and collective interests (Biglan 2009; Dahlman 1979). In the context of negotiations, externalities refer to indirect benefits or costs imposed on external parties who are not directly involved in the negotiation but whose outcomes are nonetheless shaped by the resulting agreement (Trötschel et al. 2022). These effects reflect a form of structural interdependence, where decisions made at the table systematically influence the outcomes of others–despite those external parties lacking representation or voice in the process. Drawing on interdependence theory (Kelley and Thibaut 1978), such external parties can be characterized by unilateral dependence, in contrast to the mutual dependence that typically defines the relationship between negotiating parties.

Externalities can range from symbolic reputational spillovers to tangible economic consequences. Our research focuses on a subset of negotiations in which outcomes predictably affect specific, non-represented third parties–referred to here as external parties. These actors are unilaterally affected by the agreement yet excluded from participation, representation or advocacy in the negotiation process. They are distinct from constituencies, who are represented by negotiators (Aaldering and Ten Velden, 2018; Haccoun and Klimoski 1975); from third-party observers or mediators, who may influence the process but do not experience direct outcome consequences (Bazerman and Neale 1992; Gelfand et al. 2011); and from passive onlookers who have no material stake in the outcome (e.g., colleagues indirectly observing a promotion negotiation).

While not all real-world externalities can be precisely quantified, many negotiation domains–such as joint ventures (e.g., production rights affecting competitors), supplier contracting (e.g., pricing agreements disadvantaging smaller or excluded vendors) and international treaties (e.g., emission targets increasing regulatory burdens for low-emission countries)–generate measurable impacts on non-participating stakeholders. In these contexts, externalities are not incidental; they can be systematically modelled in terms of preferences and payoffs, as is common in negotiation and game-theoretic research (Kelley 1984). To make these consequences observable and experimentally testable, we adopt point-based payoff structures to represent utility outcomes for both negotiating and external parties (Kelley 1984; Weisel and Böhm 2015). This abstraction enables a structured investigation of how decision-makers respond to interdependence beyond the table, and whether they account for external parties' outcomes when doing so carries no cost to their own.

Despite long-standing theoretical recognition of externalities in negotiation (Lax and Sebenius 1986; Menkel-Meadow 2009), empirical work has largely focused on proximal outcomes–such as agreements, impasses, and gains for the parties at the table (Schweinsberg et al. 2021; Curhan et al. 2009). As Menkel-Meadow (2009, pp. 421–422) notes, '[…] in many settings, what seems like a 'two-party' problem is, in fact, much more complicated and often affects many other parties. […] We can almost never assume that a bilateral agreement of two parties will be sufficient to solve anything but perhaps the most simple buyer-seller agreement'. Yet the broader consequences of negotiated agreements–how they affect non-represented stakeholders–remain empirically underexplored.

We propose that in negotiations involving external parties, outcomes should be assessed at three distinct levels. *Proximal* outcomes refer to the results for the direct negotiating parties. *Distal* outcomes capture the effects on unilaterally affected external parties who are not present at the table. *Inclusive* outcomes reflect the aggregate results across both internal and external parties. In such settings, position misalignments–stemming from differing preferences–may arise not only between negotiating parties (proximal conflict) but also between negotiators and affected external parties (distal conflict). These layered dynamics complicate the conflict structure beyond that of conventional dyadic or multiparty bargaining (Boothby et al. 2023; McGinn et al. 2012), offering a novel lens for understanding when and how negotiators account for external consequences.

1.2 | Conflict Structure and Integrative Potential in Negotiations With Externalities

Negotiation research traditionally distinguishes between distributive (zero-sum) and integrative (variable-sum) conflict structures (Bazerman et al. 1985; Walton and McKersie 1965). In distributive negotiations, parties compete over a fixed resource–one party's gain is the other's loss. By contrast, integrative negotiations allow for mutually beneficial outcomes when parties differ in their priorities across issues, enabling trade-offs that increase joint value–a process known as logrolling (Froman and Cohen 1970). Realizing this potential requires negotiators to recognize and strategically leverage differences in issue-level priorities.[1] Importantly, in such negotiations, negotiators' positions–that is, the specific outcomes they appear to prefer on particular issues–may seem to conflict, even though their underlying interests are not necessarily opposed. As Fisher et al. (2012, 43) explain, 'Interests motivate people; they are the silent movers behind the hubbub of positions'. This distinction is critical: while positions may diverge, differences in priorities often reveal deeper interests and can serve as a basis for discovering creative, value-generating agreements.

When negotiations affect external parties, the conflict structure extends beyond the bargaining table, encompassing not only the proximal level (between negotiating parties) but also the distal level (between negotiators and external parties). These conflict structures may differ: for instance, negotiating parties might hold diametrically opposing positions on all issues–reflecting a zero-sum structure at the proximal level–while external parties' positions may appear similarly opposed but actually hold differing priorities across issues, allowing for value-creating trade-offs consistent with a variable-sum structure at the distal level. From a utility-maximization perspective, negotiators aiming to optimize inclusive outcomes should identify and leverage integrative potential at both levels. Doing so can enhance overall efficiency and generate long-term strategic benefits–not only for the parties at the table but also for those structurally affected by the agreement (Curhan et al. 2010; Trötschel et al. 2022).

However, negotiating agreements that benefit both internal and external stakeholders is cognitively and motivationally demanding. Negotiators may overlook distal outcomes due to attentional limitations (Dijksterhuis and Aarts 2010), low perceived self-relevance (Tajfel and Billig 1974) and asymmetrical dependence–where external parties are affected by the agreement but lack influence over it (Van Lange et al. 2007). These dynamics reflect deeper asymmetries in interdependence structure, salience and voice, which we propose are key determinants of whether negotiators consider outcomes beyond the table.

1.3 | Consideration of the Outcomes of Parties at and Beyond the Table

Existing theories underscore both the strategic and ethical importance of accounting for external parties' outcomes. Cooperative game theory suggests that doing so can foster coalitions and improve overall efficiency (Admati and Perry 1987; Zeng and Chen 2003). Stakeholder and resource dependence theories emphasize the value of understanding interdependencies–not only for managing risk and maintaining legitimacy but also for sustaining relationships that may evolve into future partnerships (Donaldson and Preston 1995; Hillman et al. 2009). Similarly, research on strategic alliances and corporate social responsibility shows that organizations that attend to broader stakeholder positions tend to be more resilient and successful over time (Dyer and Singh 1998; Porter and Kramer 2006). Despite these benefits, we argue that negotiators are likely to prioritize resolving issues at the table and may disregard external consequences.

One key reason for this neglect is the asymmetry of interdependence between negotiating parties and external parties. Negotiators at the table rely on one another to reach an agreement,

creating a structure of mutual dependence and reciprocal control (Kelley et al. 2003; Majer et al. 2021). In contrast, external parties typically lack decision rights, resulting in unilateral dependence (Buchanan 1971; Laffont 2008; van Treek et al. 2023). This imbalance diminishes the perceived responsibility to integrate external perspectives and reduces the psychological salience of their outcomes (Kelley and Thibaut 1978; Majer et al. 2021). Because external parties cannot reciprocate in the moment, negotiators tend to focus their attention on the more immediate, outcome-relevant dynamics at the table.

Moreover, external parties lack voice and presence in the negotiation process. Their positions are often less cognitively accessible (Bogacki and Letmathe 2021), underrepresented in deliberations (Ekeli 2005) and deprioritized relative to those of direct counterparts (Bies and Shapiro 1988; Morrison 2011). This reduced visibility contributes to the systematic neglect of distal outcomes–even when accounting for them would not compromise negotiators' own outcomes. Thus:

Hypothesis 1. *In negotiations, negotiating parties will achieve more integrative outcomes with their counterparts at the proximal level than for external parties at the distal level.*

We refer to this phenomenon as the proximity effect. If this pattern persists even when fulfilling external parties' positions incurs no cost to negotiators' own outcomes, it becomes especially important to examine when–and under what conditions–negotiators attend to these external outcomes. To this end, we model interdependence between parties at and beyond the table, proposing that the interdependence structure–whether positive or negative–shapes the extent to which negotiators consider external parties' positions.

1.4 | The Structure of Negative Versus Positive Interdependence

Interdependence theory distinguishes between two types of outcome dependence: positive interdependence, where parties' positions align, and negative interdependence, where they diverge (Balliet et al. 2017; Kelley and Thibaut 1978). Negotiation research has historically emphasized forms of negative interdependence–situations in which one party's outcomes are perceived to come at the expense of the other's (Brett and Thompson 2016; Gelfand et al. 2011; Pruitt and Carnevale 1993). This includes both strictly zero-sum negotiations, where parties hold diametrically opposing positions and no differences in issue priorities (Hüffmeier et al. 2014), and variable-sum negotiations, where parties have conflicting positions but differ in their priorities across issues, allowing for mutually beneficial trade-offs (De Dreu et al. 2006; Neale 1997). Indeed, multi-issue integrative negotiations–where parties can expand the pie by making trade-offs across issues–have become a pervasive paradigm in behavioural negotiation research (Jang et al. 2018). Within such settings, many negotiations also include issues characterized by positive interdependence–that is, compatible issues where both parties benefit from the same outcome (Loschelder et al. 2017; O'Connor and Carnevale 1997; Thompson and Hrebec 1996).

In negotiations with externalities, external parties may be positively dependent on the negotiators' outcomes (i.e., external outcomes improve when negotiators achieve better results) or negatively dependent (i.e., negotiators' gains come at the expense of external parties; Buchanan 1971). From a rational choice perspective, negotiators should remain indifferent to these dependencies as long as they do not affect their own utility (Malhotra and Bazerman 2008; Raiffa et al. 2007). Since external parties typically lack decision rights and cannot reciprocate with benefits or impose costs, their positions–whether reflecting aligned or opposed preferences–should not influence negotiators' strategies. Game theory similarly asserts that if another party's outcomes do not affect one's own payoffs, they should not influence equilibrium behaviour (Camerer 2003; Nash 1950). In short, rational negotiators should treat external dependencies as irrelevant. However, we argue that negotiators deviate from this logic and are influenced by the structure of dependence–even when it has no impact on their own outcomes.

Drawing on social exchange theory, we argue that negotiators are more likely to accommodate positively dependent external parties because aligned outcomes signal potential for mutual benefit and activate norms of reciprocity. Even in the absence of direct exchange, outcome alignment may evoke expectations of future benefit or relationship-building (Blau 1964; Cropanzano et al. 2017; Gouldner 1960). In contrast, negatively dependent external parties–whose outcomes conflict with the negotiators–may be seen as adversarial or obstructive. This perception can narrow negotiators' focus toward maximizing outcomes for themselves and their counterparts at the table, while neglecting or even devaluing external parties' positions (Ross and Stillinger 1991).

Empirical research supports this asymmetry: positive interdependence fosters perspective-taking and cooperative behaviour (Hertel et al. 2004; Janssen et al. 1999), whereas negative interdependence often triggers competition and exclusion (Johnson et al. 1981; Tjosvold 1986). These behavioural tendencies may also be shaped by affective framing–negotiators may experience a 'warm-glow' when assisting positively dependent parties, but a 'cold-prickle' when their gain implies another's loss (Andreoni 1995; Böhm and Theelen 2016). Thus, we expect negotiators to be more responsive to positively dependent external parties than to negatively dependent ones, even when their own outcomes are unaffected.

Hypothesis 2a. *When external parties are positively dependent on the outcomes of negotiators, negotiators will achieve higher outcomes for external parties (distal outcomes) than when external parties are negatively dependent.*

Building on this reasoning, we predict that the proximity effect will be moderated by the structure of interdependence. When external parties are positively dependent, negotiators are more likely to acknowledge and incorporate their positions, reducing the gap between proximal and distal outcomes. In contrast, under conditions of negative dependence, the proximity effect should remain more pronounced, as negotiators are less inclined to accommodate external parties whose outcomes conflict with their own.

Hypothesis 2b. *The proximity effect will be reduced under conditions of positive dependence compared to negative dependence.*

To test our hypotheses and rule out self-interest as an explanatory factor, we modelled negotiators' and external parties' positions using a symmetric payoff structure across both positive and negative interdependence conditions. Regardless of the type of interdependence, negotiators could improve outcomes for external parties without compromising the quality of their own agreement. For example, when negotiators faced a zero-sum conflict with each other but a variable-sum structure with external parties, no integrative potential existed between the negotiating parties themselves. However, negotiators could still enhance outcomes for external parties by engaging in issue-based trade-offs–claiming more value on issues highly prioritized by the external party and conceding on issues of lesser importance. This form of logrolling enabled negotiators to shift value in ways that benefited external parties without reducing joint outcomes for themselves and their counterparts. Importantly, the same trade-off logic is applied symmetrically across interdependence conditions. Under positive interdependence, negotiators and external parties shared similar positions, so conceding on issues that were less important to external parties also led to losses for negotiators themselves due to this alignment. In contrast, under negative interdependence, negotiators and external parties held opposing positions, meaning that claiming value on issues that were more important to external parties inadvertently harmed negotiators' own outcomes due to this divergence. Despite these differences in alignment, the underlying conflict structure between negotiators at the table remained zero-sum, ensuring that the total value of trade-offs was equivalent across conditions. This allowed for a structurally symmetric comparison of positive and negative interdependence effects (see Appendix Tables A4 and A6).

2 | Experiment Overview and Data Transparency

We conducted four experiments using different conflict simulations (negotiations affecting one or multiple external parties) and methods (non-interactive, interactive, online and face-to-face) to explore how and when negotiators consider external parties' outcomes. All experiments used performance-based incentives to motivate participants, with Amazon vouchers awarded based on negotiation performance (Murnighan et al. 1999; Majer et al. 2022).

Across the four experiments, we varied the conflict structure at the proximal level (between negotiating parties) and the distal level (with external parties) to examine whether participants more effectively explored integrative potential with their counterparts or with affected external parties. Depending on the condition, participants were assigned variable-sum structures either at the proximal or at the distal level. This allowed us to assess the extent to which negotiators considered the outcomes of external parties relative to those of their direct negotiation counterparts. To enhance generalizability, we manipulated the conflict structure either as a between-subjects factor (Experiments 1 and 3) or as a within-subjects factor (Experiments 2 and 4). In within-subject designs (Experiments 2 and 4), we directly compared proximal and distal outcomes within the same negotiating dyads. In between-subjects designs (Experiments 1 and 3), we compared inclusive outcomes across conditions that varied in the location of integrative potential (i.e., variable-sum structure at the proximal vs. distal level), as the outcome ranges across levels were not directly comparable in these cases. Table 1 summarizes the experiments, designs and key variables.

We followed open science practices to ensure transparency and reproducibility. All four experiments are reported in this article, with two pre-registered (Experiment 1: https://aspredicted.org/8B1_L4W; Experiment 4: https://aspredicted.org/IYP_NTP). Materials, data, analysis code, and codebooks are publicly available on the Open Science Framework (https://osf.io/6qy8d/?view_only=3ddceffda155422d88960764b5c64b57). We report all conditions, exclusions, measures (Simmons et al. 2012), exact *p*-values, effect sizes, descriptive statistics and correlation matrices in the main text or Appendices. Sample sizes were determined a priori based on the authors' experience (Van Voorhis and Morgan 2007), and sensitivity analyses were conducted post hoc using G*Power (Faul et al. 2009) with $\alpha = 0.05$ and power $(1-\beta) = 0.80$. All participants provided informed consent, and all studies were generally approved by the university's ethics board for non-deceptive research.

3 | Experiment 1: Behavioural Intentions in Negotiations Affecting External Parties

Experiment 1 investigated whether negotiators would focus more on exploring the integrative potential with their negotiation counterpart (proximal level) than with external parties (distal level) in a non-interactive online experiment. Participants were provided full information about their, their counterpart's and their external party's payoffs, which allowed us to investigate their exploration of the integrative potential in a non-interactive scenario (e.g., Pinkley et al. 1995). In line with Hypothesis 1, we predicted that even if participants were fully informed about the integrative potential, they would still consider less the outcomes of the external parties at the distal level than those of the counterpart at the proximal level.

3.1 | Method

3.1.1 | Participants and Design

We recruited 92 students from a German university, offering course credit and a chance to win one of six bonuses totalling €50. To ensure data quality, we included seriousness-check items (e.g., 'I would discard my data'; Aust et al. 2013) and excluded one participant who failed a check and another who did not complete the experiment. Additionally, 14 participants who spent less than 70,000 ms on instructions (over two standard deviations faster than the average) were excluded, following prior research (Galak et al. 2012). The results of Experiment 1 remained consistent even when these participants were included.

The remaining sample consisted of 76 participants ($M_{age} = 25.70$, $SD = 9.98$; 41 females, 30 males, 5 other). The experiment included two between-subjects conditions with a variable-sum conflict structure either at the proximal level with the negotiating

TABLE 1 | Overview of experimental designs and purposes.

Experiment	Design	Factors	Main DVs	Main Purpose
1	1 × 2 between-subjects	Conflict structure (variable-sum at the proximal vs. distal level)	Outcomes at inclusive level	Test the proximity effect (H1)
2	1 × 2 within-subjects	Conflict structure (variable-sum at the proximal vs. distal level)	Outcomes at proximal vs. distal level	Replicate the proximity effect in interactive setting (H1)
3	2 × 2 between-subjects	Conflict structure (variable-sum at the proximal vs. distal level) External parties' dependence (positive vs. negative)	Outcomes at inclusive level and distal level	Test moderation of proximity effect by interdependence (H1, H2a and H2b)
4	2 × 2 mixed	Conflict structure (variable-sum at the proximal vs. distal level) Interdependence mindset (yes vs. no)	Outcomes at inclusive level and distal level	Test intervention to reduce proximity effect (H1 and H3)

counterpart or at the distal level with the external party (i.e., integrative potential available at the proximal level or distal level). A sensitivity analysis (using G*Power 3.1.9.7; Faul et al. 2009) revealed that our sample ($N = 76$) had 80% power to detect a medium effect size of $d = 0.58$.

3.1.2 | Negotiation Task and Procedure

Participants completed the negotiation task and post-task measures online using Gorilla (Anwyl-Irvine et al. 2020). They were instructed to imagine being managers of a trading post (i.e., a settlement where goods are exchanged), negotiating the delivery of eight resources with another post. They were informed that any agreement would negatively impact a nearby trading post–an external party whose outcomes would decrease as their own increased.

Participants first received information about their own payoffs and made an initial offer to familiarize themselves with the task (Van Poucke and Buelens 2002). They then received the payoff structures for their counterpart and the external party, followed by an interim offer based on this complete information. Finally, they made a final offer, which would be just acceptable to them before walking away from the negotiation (Güth and Tietz 1990). No actual back-and-forth negotiation occurred. Afterwards, participants completed post-negotiation measures and demographic questions and were then debriefed.

3.1.3 | Manipulation of the Conflict Structure

The manipulation of the conflict structure was embedded in the payoff tables for the three parties (see Appendix Tables A1 and A 2). In the condition with a variable-sum conflict structure at the proximal level, negotiators could infer from the payoff table how to reach a mutually beneficial agreement with their counterparts by making trade-offs aligned with issue-level priorities. Given the zero-sum structure between the negotiator and the external party, there was no opportunity to integrate preferences at the distal level. Thus, the most optimal inclusive outcome could be achieved by disregarding the external party's outcomes. In the condition with a variable-sum conflict structure at the distal level, this structure was reversed. The negotiating parties' positions were diametrically opposed (zero-sum), leaving no room for integrative agreements at the proximal level. However, value could be created with the external party by identifying priority differences and engaging in systematic logrolling. In this case, optimal inclusive outcomes would be achieved by leveraging integrative potential with the external party, while disregarding the interests of the negotiation counterpart. In sum, if participants treat the outcomes of negotiation counterparts and external parties equally, there should be no difference in outcomes across the two conditions. However, if–as predicted in Hypothesis 1–negotiators prioritize proximal over distal outcomes, higher outcomes should emerge when integrative potential lies with the negotiation counterpart (proximal variable-sum condition) compared to when it lies with the external party (distal variable-sum condition).

3.1.4 | Measures

3.1.4.1 | Inclusive Outcomes Based on the Interim and the Final Offers. We calculated participants' outcomes at the inclusive level by adding the respective profit points of the participant, the negotiation counterpart and the external party based on their interim and final offers, which ranged from 2560 to 3920 profit points.[2] Given the dependency of the two offers on

TABLE 2 | Experiment 2: negotiation issues, options and profit points for the negotiation parties and the external parties.

Negotiating Parties at the Proximal Level

Option	Wood	Amber	Stone	Iron	Wine	Flour	Fish	Salt
A	**480**	320	280	**280**	320	**480**	280	**280**
B	360	240	210	210	240	360	210	210
C	240	160	140	140	160	240	140	140
D	120	80	70	70	80	120	70	70
E	0	**0**	**0**	0	**0**	0	**0**	0

Negotiator Party A

Option	Wood	Amber	Stone	Iron	Wine	Flour	Fish	Salt
A	**0**	0	0	**0**	0	**0**	0	**0**
B	80	120	70	70	120	80	70	70
C	160	240	140	140	240	160	140	140
D	240	360	210	210	360	240	210	210
E	320	**480**	**280**	280	**480**	320	**280**	280

Negotiator Party B

Negative & Positive (Inter)Dependence

Among the eight resources, wood, amber, wine, and flour feature a variable-sum confl structure at the proximal level. By contrast, stone, iron, fish, and salt feature a variable-s conflict structure at the distal level.

Negative & Positive (Inter)Dependence

External Parties at the Distal Level

	External Party C		External Party D		External Party E		External Party F	
Option	Wood	Amber	Stone	Iron	Wine	Flour	Fish	Salt
A	**0**	0	320	**480**	280	**280**	0	**0**
B	70	70	240	360	210	210	120	80
C	140	140	160	240	140	140	240	160
D	210	210	80	120	70	70	360	240
E	280	**280**	**0**	0	**0**	0	**480**	320

	External Party G		External Party H		External Party I		External Party J	
Option	Wood	Amber	Stone	Iron	Wine	Flour	Fish	Salt
A	**280**	280	0	**0**	0	**0**	320	**480**
B	210	210	120	80	70	70	240	360
C	140	140	240	160	140	140	160	240
D	70	70	360	240	210	210	80	120
E	0	**0**	**480**	320	**280**	280	**0**	0

Note: The values in bold indicate the integrative solution for all related parties.

each other, they were included as a within-subjects factor in the analysis.

3.2 | Results

The data supported the proximity effect hypothesis (H1): a 2 (Conflict structure: variable-sum at proximal level vs. distal level) × 2 (Offer: interim vs. final offer; repeated measures) mixed ANOVA revealed a main effect of conflict structure, $F(1, 74) = 3.99$, $p = 0.049$, $\eta^2_p = 0.05$. Participants achieved higher outcomes when the variable-sum conflict structure was at the proximal level ($M = 3441.22$, $SE = 38.44$) than at the distal level ($M = 3324.70$, $SE = 43.88$). Additionally, there was a main effect of the offer, $F(1, 74) = 24.10$, $p < 0.001$, $\eta^2_p = 0.25$, which indicates that the quality of participants' offers significantly increased from the interim offer ($M = 3343.36$, $SD = 277.58$) to the final offers ($M = 3437.89$, $SD = 262.22$; see Figure 1). The interaction effect was not significant, $F(1, 74) < 0.01$, $p = 0.978$, pointing to a similar pattern for the interim and the final offers.

3.3 | Discussion

Experiment 1 provided initial evidence for the hypothesized proximity effect: Negotiators achieved higher outcomes when the variable-sum conflict structure was located at the proximal level (with their negotiation counterpart) rather than at the distal level (with the external party), supporting Hypothesis 1. While this non-interactive design offered valuable initial insights, it did not capture how negotiators perceive and decide when jointly interacting with their counterparts. Experiment 2 therefore aimed to replicate the proximity effect in a face-to-face negotiation setting and examine its interpersonal dynamics, again testing Hypothesis 1.

4 | Experiment 2: Actual Behaviours in Negotiations Affecting External Parties

Experiment 2 pursued three major goals. First, it examined negotiators' perceived relationships with both their counterparts and external parties, extending our understanding of the proximity effect beyond economics (Curhan et al. 2006). Second, participants had full information about external parties' payoffs but had to uncover their counterparts' priorities through interaction, creating information asymmetry favouring external parties–a stricter test of the proximity effect (Bazerman et al. 1985). Finally, we structured the negotiation to eliminate confounding factors, ensuring one level had a variable-sum conflict and the other a fixed, zero-sum structure, allowing negotiators to integrate external parties' positions without compromising their own outcomes (see Table 2).

4.1 | Method

4.1.1 | Participants and Design

Sixty-two students from a German university participated in the experiment, receiving compensation of €8.00 or course credit ($M_{age} = 22.53$, $SD = 3.33$; 35 females, 24 males, 3 other). All participants had a chance to win one of six performance-based bonuses totalling €50. Unlike Experiment 1, this study employed a within-subjects design, manipulating conflict structure at the proximal versus distal level. Specifically, the negotiation task included four issues with a variable-sum structure at the proximal level (between negotiating parties) and four issues with a variable-sum structure at the distal level (between external parties; see Table 2). A sensitivity analysis indicated that our sample ($N = 31$ negotiating dyads) had 80% power to detect a medium effect size of $d = 0.46$.

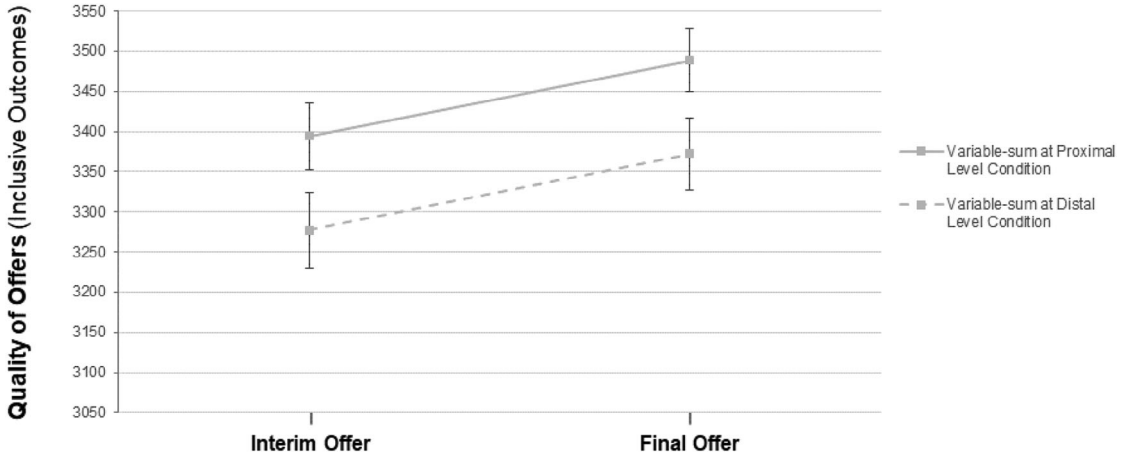

FIGURE 1 | Experiment 1: The quality of negotiation offers between the two conditions. *Note:* Error bars indicate ± 1 SEM.

4.1.2 | Negotiation Task

In Experiment 2, we used the same negotiation scenario as in Experiment 1 but increased realism by including four external parties, reflecting real-world negotiations that impact multiple stakeholders. Each external party was affected by only two of the eight issues to balance the information load between proximal and distal levels. To further enhance realism, participants were told they might be invited to a follow-up study in six months, where they would negotiate directly with the external parties. External parties would be informed of the initial agreement before the follow-up negotiation.

4.1.3 | Procedure

Upon arriving, participants engaged in a 25-minute negotiation task with another participant, seated across from each other. They received instructions and a payoff table detailing the eight negotiation issues and profit points for themselves and external parties. Following standard negotiation research methods (Bazerman et al. 1985), they explored their counterparts' priorities through interactive bargaining. After the negotiation, participants completed a questionnaire, were paid, thanked and debriefed.[3]

4.1.4 | Measures

4.1.4.1 | Outcomes at Proximal Versus Distal Levels. To test the proximity effect hypothesis (H1), we compared the outcomes achieved at the proximal level (i.e., joint outcomes of both negotiating parties) with those at the distal level (i.e., outcomes of all external parties beyond the table) based on dyads' final agreements (ranging from 2400 to 3040 profit points). It is important to note that inclusive outcomes (i.e., the sum of proximal and distal outcomes) are not relevant measures in the current experiment, given the within-subjects design and the symmetric payoffs between the proximal and distal levels.

4.1.4.2 | Perceived Relationship With Negotiation Counterparts Versus External Parties. Participants were asked to rate their agreement with two items regarding the perceived relationship with the negotiation counterpart ($\alpha = 0.79$) and the external parties ($\alpha = 0.95$), respectively. The items were adapted from the subjective value inventory of Curhan and colleagues (2006; i.e., 'The negotiation builds a good foundation for the relationship with my negotiation counterpart/my external parties'; 'The negotiation builds trust between me and my negotiation counterpart/my external parties'.) using a scale ranging from 1 ('not at all') to 7 ('very much'). The answers of the two participants within a negotiation dyad were averaged to obtain an overall score for each dyad.

4.2 | Results

4.2.1 | Outcomes at Proximal Versus Distal Levels

A paired-sample t-test validated the proximity effect hypothesis (H1), $t(30) = 5.24$, $p < 0.001$, $d = 0.94$. Negotiating dyads achieved higher outcomes for themselves at the proximal level ($M = 2836.13$, $SD = 93.73$) than for the external parties at the distal level ($M = 2{,}740.65$, $SD = 86.95$).

4.2.2 | Perceived Relationship With Negotiation Counterparts Versus External Parties

A paired-sample *t*-test revealed that participants perceived a closer relationship with their negotiation counterparts ($M = 5.41$, $SD = 0.79$) than with external parties ($M = 4.69$, $SD = 1.09$), $t(29) = 2.75$, $p = 0.010$, $d = 0.50$.[4]

4.3 | Discussion

In Experiment 2, we found further support for the prediction that negotiators are more likely to discover the integrative potential with their counterparts than with the external parties (i.e., proximity effect). These results extend our previous findings by demonstrating that overlooking external parties' outcomes is evident not only in intentions (as seen in the non-interactive Experiment 1) but also in actual behaviour during interactive

negotiations. This demonstrated effect is particularly noteworthy, as the integrative potential at the distal level for the external parties could have been realized without any costs for negotiators' joint outcomes at the proximal level. Moreover, in this experiment, negotiators faced an information asymmetry–they had complete information about the external parties' positions and priorities but incomplete information about their counterparts. Even under these circumstances, where information about the external parties was more explicit and salient, and understanding their positions and priorities was easier, the proximity effect still occurred.

5 | Experiment 3: Positive Versus Negative Dependence of External Parties

Experiment 3 pursued three main goals. First, we tested whether negotiators disproportionately prioritize positively dependent external parties over negatively dependent ones, even when doing so does not affect their own outcomes. We hypothesized that positive dependence would lead to higher distal outcomes and a reduced proximity effect (H2a and H2b). Second, we examined the behavioural mechanisms underlying the proximity effect by tracking participants' logrolling behaviour (Trötschel et al. 2011). Third, we explored whether negotiators possess the cognitive capacity to account for external parties' outcomes but lack the motivation to do so unless positive dependence increases their willingness to pursue integrative solutions

5.1 | Method

5.1.1 | Participants and Design

Two hundred and ten students from a German university participated in the experiment in exchange for a compensation of €8.00 or course credit ($M_{age} = 22.23$, $SD = 3.54$; 138 females, 72 males). All participants had a chance to win one of 12 bonuses with a total value of €100. The experiment employed a 2 (Conflict structure: variable-sum at the proximal vs. distal level) × 2 (External parties' dependence: positive vs. negative) between-subjects design. A sensitivity analysis revealed that our sample ($N = 105$ dyads) had 80% power to detect a medium effect size of $f = 0.28$ for the interaction effect.

5.1.2 | Negotiation Task and Procedure

The negotiation task and procedure were identical to Experiment 2, except for changes in the payoff tables resulting from manipulations of (1) the conflict structure between subjects instead of within subjects, and (2) the dependence of external parties (positive vs. negative).

5.1.3 | Manipulation of the Conflict Structure

To test our hypotheses, we operationalized the conflict structure (i.e., variable-sum at the proximal vs. distal level) as a between-subjects factor (see Appendix Tables A3–A6). When the conflict structure at the proximal level was variable-sum, all negotiation issues allowed for integrative logrolling between the two negotiating parties, while the payoffs at the distal level were fixed-sum for the external parties. Conversely, when the variable-sum structure was assigned to the distal level, all issues allowed logrolling with the external parties, while the payoffs between the negotiating parties were fixed-sum. If positive dependence reduces the proximity effect, then the difference in dyads' outcomes between conditions with variable-sum conflict structures at the proximal versus distal level should be smaller when external parties are positively (vs. negatively) dependent on the negotiators.

5.1.4 | Manipulation of External Parties' Dependence

Participants were informed that their negotiated agreements would either positively or negatively affect the outcomes of the external parties. The payoff tables objectively reflected the nature of this dependence: as participants' outcomes on each issue increased, the corresponding outcomes of their external parties either increased (positive-dependence condition; convergent positions) or decreased (negative-dependence condition; divergent positions; see Appendix Tables A3–A6). Importantly, this manipulation of dependence did not alter the underlying conflict structure; negotiators could experience either zero-sum or variable-sum interdependence with external parties in both dependence conditions. To ensure methodological validity, we maintained a symmetric and comparable payoff structure across conditions. Critically, negotiators could realize the integrative potential at the distal level without compromising their joint outcomes, regardless of the dependence structure.

5.1.5 | Measures

5.1.5.1 | Manipulation check. To assess the effectiveness of the manipulation of dependence structure, participants were asked to rate their agreements with two items (i.e., 'The better my negotiation outcomes, the better/worse the outcomes for the external parties') on a scale ranging from 1 ('not at all') to 7 ('very much').

5.1.5.2 | Dependent variables. Because we methodologically varied the conflict structure between rather than within conditions, the range of profit points that participants can achieve at the proximal versus distal level was not comparable (cf. Experiment 1). Therefore, the inclusive outcomes based on negotiating dyads' final agreements were used as the main dependent variable (ranging from 3440 to 4800 profit points). We measured participants' perceived relationships with their negotiation counterparts ($\alpha = 0.74$) and external parties ($\alpha = 0.93$) following the same procedure as in Experiment 2.

As an exploratory measure, we assessed participants' logrolling behaviour–the systematic exchange of concessions across issues. To capture their logrolling behaviours throughout the negotiation, participants were asked to make a negotiation proposal to their counterparts every five minutes (a total of four proposals, including an opening proposal). We calculated a logrolling score based on the three interim proposals (i.e., the second to the fourth proposals).[5] Following the measure by Trötschel et al.

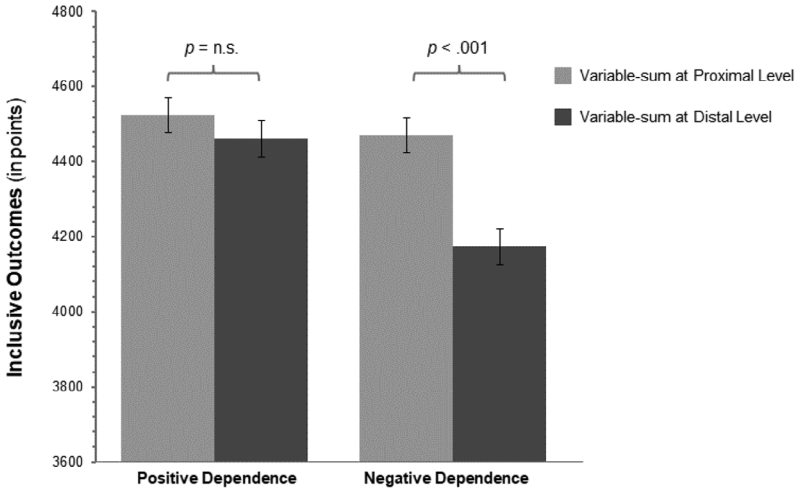

FIGURE 2 | Experiment 3: Inclusive outcomes as a function of the conflict structure and external parties' dependence. *Note:* Error bars indicate ±1 SEM.

(2011; for details, see the Appendix, p. 58), the logrolling score for each proposal ranged from −16 (all issues were exchanged in a completely priority-inconsistent way) to +16 (all issues were exchanged in a completely priority-consistent way). The logrolling scores of the two negotiators within a dyad were averaged to obtain an overall score for each dyad.

5.2 | Results

5.2.1 | Manipulation Check

Independent-sample *t*-tests on the two manipulation check items suggested that the manipulation of the dependence structure was successful: participants in the positive-dependence condition gave more affirmative answers to the positive-dependence item ($M = 5.33$, $SD = 1.88$) than those in the negative-dependence condition ($M = 2.39$, $SD = 1.90$), $t(208) = 11.25$, $p < 0.001$, $d = 1.55$. Conversely, participants in the negative-dependence condition gave more affirmative answers to the negative-dependence item ($M = 5.33$, $SD = 2.02$) than those in the positive-dependence condition ($M = 2.25$, $SD = 1.77$), $t(207.72)$[6] $= 11.75$, $p < 0.001$, $d = 1.61$.

5.2.2 | Inclusive Outcome

We predicted that when external parties are positively dependent on negotiators' outcomes, outcomes for external parties at the distal level would be higher (H2a), and the proximity effect should be less pronounced compared to when external parties are negatively dependent on negotiators' outcomes (H2b; a moderation effect). The data supported our predictions: A 2 (Conflict structure) × 2 (External parties' dependence) ANOVA revealed the predicted interaction effect, $F(1, 101) = 6.44$, $p = 0.013$, $\eta^2_p = 0.06$ (see Figure 2). Analyses revealed that when external parties were negatively dependent on them, negotiating dyads achieved significantly better inclusive outcomes when there was a variable-sum conflict structure at the proximal level ($M = 4471.07$, $SD = 237.21$) than at the distal level ($M = 4173.33$, $SD = 245.17$), $F(1, 101) = 21.72$, $p < 0.001$, $\eta^2_p = 0.18$, replicating the proximity effect. In contrast, when external parties were positively dependent on negotiators, the proximity effect vanished: dyads achieved comparable outcomes in situations with a variable-sum structure at the proximal level ($M = 4524.00$, $SD = 214.36$) versus at the distal level ($M = 4461.20$, $SD = 248.53$), $F(1, 101) = 0.88$, $p = 0.351$, supporting H2b. From a different perspective, the structure of dependence did not affect the realization of the integrative potential at the proximal level, $F(1, 101) = 0.66$, $p = 0.419$. However, when the conflict structure was variable-sum at the distal level, positive dependence of the external parties led to more integrative outcomes than negative dependence, $F(1, 101) = 19.17$, $p < 0.001$, $\eta^2_p = 0.16$, supporting H2a.

Moreover, there was a main effect for the conflict structure, $F(1, 101) = 15.17$, $p < 0.001$, $\eta^2_p = 0.13$. Replicating the proximity effect (H1), we again demonstrate that negotiators were generally more successful in exploring the integrative potential at the proximal level with the negotiating counterpart than at the distal level with the external parties. This is reflected by the higher inclusive outcomes in conditions with a variable-sum structure at the proximal level ($M = 4496.04$, $SD = 226.13$) than at the distal level ($M = 4311.73$, $SD = 284.26$). There was also a main effect for the external parties' dependence, $F(1, 101) = 13.55$, $p < 0.001$, $\eta^2_p = 0.12$. Overall, positive (inter)dependence led to higher inclusive outcomes ($M = 4492.60$, $SD = 231.88$) than negative dependence ($M = 4324.91$, $SD = 282.21$).

5.2.3 | Perceived Relationship with Negotiation Counterparts Versus External Parties

A 2 (Conflict structure) × 2 (External parties' dependence) × 2 (Relationship target: negotiation counterpart vs. external parties; repeated measures) mixed ANOVA revealed significant main effects for the relationship target, $F(1, 101) = 63.71$, $p < 0.001$, $\eta^2_p = 0.39$; the conflict structure, $F(1, 101) = 14.73$, $p < 0.001$, $\eta^2_p = 0.13$; and the structure of external parties' dependence, $F(1, 101) = 7.10$, $p = 0.009$, $\eta^2_p = 0.07$. Overall, participants reported feeling a closer relationship with their negotiation counterparts ($M = 5.58$, $SD = 0.89$) than with the external parties ($M = 4.65$, SD

= 1.18). Additionally, participants perceived a closer relationship with both their counterparts and external parties the conflict structure allowed for integrative potential at the distal level (i.e., variable-sum structure with the external parties; $M = 5.41$, $SE = 0.11$) compared to when the integrative potential was present at the proximal level (i.e., with the counterpart; $M = 4.84$, $SE = 0.11$). Similarly, participants reported closer relationships when external parties were positively dependent on the negotiators ($M = 5.32$, $SE = 0.11$) than when they were negatively dependent ($M = 4.92$, $SE = 0.10$).

Moreover, we found an interaction between the structure of external parties' dependence and the relationship target, $F(1, 101) = 22.64$, $p < 0.001$, $\eta^2_p = 0.18$ (other effects Fs < 0.45, ps > 0.504). Post-hoc pairwise comparisons showed that while the structure of external parties' dependence did not affect negotiators' perceived relationship with their counterpart (for positive vs. negative dependence: $M = 5.51$, $SD = 1.01$ vs. $M = 5.64$, $SD = 0.78$), $F(1, 101) = 0.69$, $p = 0.410$, external parties' positive dependence made negotiators consider their relationship with the external parties closer ($M = 5.14$, $SD = 1.00$) than when there was negative dependence ($M = 4.20$, $SD = 1.16$), $F(1, 101) = 21.09$, $p < 0.001$, $\eta^2_p = 0.17$.

5.2.4 | Logrolling During the Negotiation

A 2 (Conflict structure) × 2 (External parties' dependence) × 3 (Offer round: second vs. third vs. fourth offer; repeated measures) mixed ANOVA revealed significant main effects of conflict structure, $F(1, 101) = 13.59$, $p < 0.001$, $\eta^2_p = 0.12$; external parties' dependence, $F(1, 101) = 17.04$, $p < 0.001$, $\eta^2_p = 0.14$; and offer round, $F(1.52, 153.92)$[7] $= 34.41$, $p < 0.001$, $\eta^2_p = 0.25$. Overall, negotiating dyads engaged in more logrolling behaviour when the variable-sum structure was at the proximal level–between negotiating parties–($M = 7.06$, $SE = 0.64$) than at the distal level–with external parties–($M = 3.73$, $SE = 0.64$). Dyads also logrolled more when external parties were positively dependent ($M = 7.26$, $SE = 0.65$) rather than negatively dependent ($M = 3.53$, $SE = 0.62$) on them. Additionally, logrolling increased over the course of the negotiation (for the second, third and fourth offers, respectively: $M = 4.07$, $SD = 4.91$; $M = 5.55$, $SD = 5.94$; $M = 6.39$, $SD = 6.10$).

Importantly, there was an interaction between the conflict structure and external parties' dependence, $F(1, 101) = 10.47$, $p = 0.002$, $\eta^2_p = 0.09$ (see Figure 3). Post-hoc pairwise comparisons revealed that when the external parties were positively dependent on the negotiators, the conflict structure did not affect negotiators' logrolling behaviour (for conditions with a variable-sum structure at the proximal vs. distal level: $M = 7.46$, $SE = 0.92$ vs. $M = 7.05$, $SE = 0.92$), $F(1, 101) = 0.10$, $p = 0.756$. However, when the external parties were negatively dependent on them, participants engaged in more logrolling when there was a variable-sum structure at the proximal level ($M = 6.66$, $SE = 0.87$) than at the distal level ($M = 0.41$, $SE = 0.89$), $F(1, 101) = 25.15$, $p < 0.001$, $\eta 2$ p = 0.20. These findings mirror the above-reported interaction on inclusive outcomes.

Finally, there was a significant interaction effect between the conflict structure and offer round, $F(1.52, 153.92) = 3.52$, $p = 0.044$, $\eta^2_p = 0.03$ (other effects: Fs < 2.54, ps > 0.096). Post-hoc pairwise comparisons revealed that although parties' logrolling behaviours in the condition with a variable-sum structure at the proximal level (vs. distal level) were already significantly more frequent in the second offer, $F(1, 101) = 8.38$, $p = 0.005$, $\eta^2_p = 0.08$, this difference became more pronounced as the negotiation progressed ($F[1, 101] = 14.90$, $p < 0.001$, $\eta^2_p = 0.13$, and $F[1, 101] = 12.83$, $p < 0.001$, $\eta^2_p = 0.11$, for the third and fourth offers, respectively).

5.3 | Discussion

In Experiment 3, we demonstrated that interdependence structure significantly shapes negotiation outcomes. Negotiators achieved higher outcomes for external parties (distal outcomes), and the proximity effect disappeared when external parties were positively dependent (supporting H2a and H2b), highlighting the role of motivation. These findings suggest that negotiators are both willing and able to account for external outcomes when interdependence is positive (Cropanzano and Mitchell 2005). In contrast to traditional economic models, negotiators allowed external dependence to influence their decisions, thus deviating from rational choice assumptions (Simon 1955; Thompson et al. 2010). Moreover, negotiators reported feeling a stronger relationship with external parties when a variable-sum conflict structure existed at the distal level, indicating that opportunities for integrative trade-offs enhance perceived relational closeness (Balliet and Van Lange 2013). Together, these findings support the idea that neglecting external parties is driven more by motivational than cognitive limitations. Building on these insights, Experiment 4 investigates whether a targeted intervention can help negotiators improve outcomes at both proximal and distal levels.

6 | Experiment 4: Interdependence Mindset and the Proximity Effect

We propose that adopting an interdependence mindset can motivate negotiators to consider external parties' outcomes, leading to better distal-level outcomes and more inclusive solutions (Gollwitzer 1990; Gollwitzer and Keller 2016). A mindset is a 'psychological orientation that affects how information is processed and drives evaluations, actions, and responses' (Rucker and Galinsky 2016). Mindsets influence cognitive and motivational processes, shaping behaviour in social contexts. Research shows that mindsets can impact decision-making, altering perceptions of incentives and motivations (Bénabou and Tirole 2002; Dweck 2017). Even without direct financial rewards, an interdependence mindset helps negotiators prioritize inclusive outcomes over narrow self-interest, aligning strategies with long-term gains (Thompson 1991). This approach fosters problem-solving behaviours that integrate all parties' positions, enhancing negotiation outcomes (Galinsky et al. 2008; Ma et al. 2019). By fostering an interdependence mindset, negotiators can create environments where the value of interdependence with external parties enhances problem-solving behaviours that integrate all parties' positions. Therefore, we hypothesize:

Hypothesis 3. *Adopting an interdependence mindset will result in higher outcomes for external parties at the distal level and higher outcomes at the overall inclusive level compared to the control condition.*

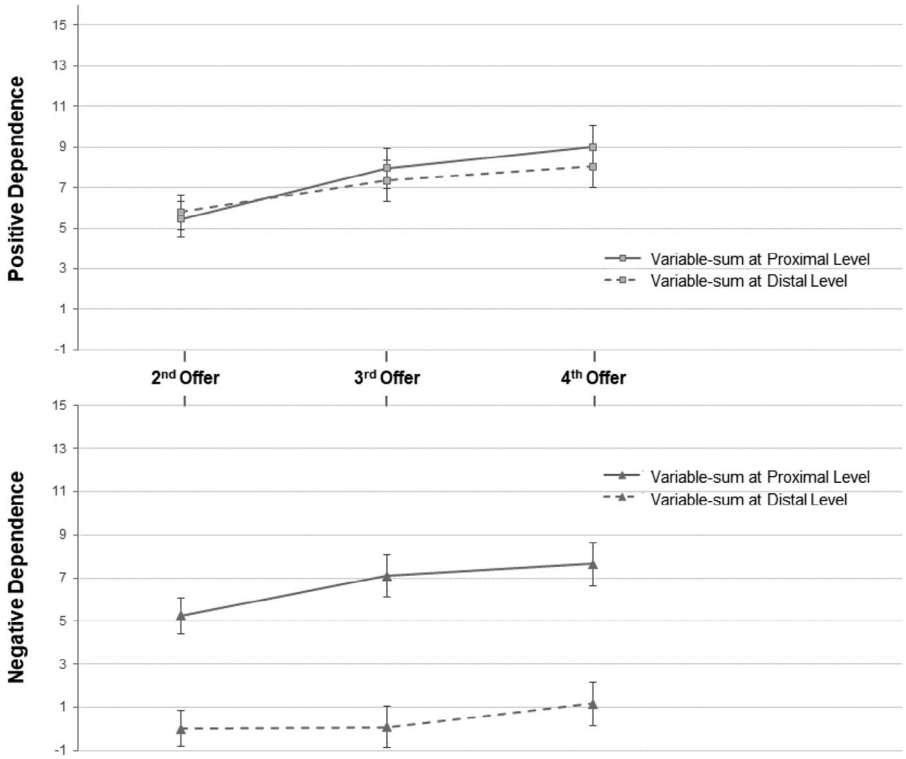

FIGURE 3 | Experiment 3: Participants' logrolling behaviour throughout the negotiation. *Note:* Error bars indicate ±1 SEM.

6.1 | Method

6.1.1 | Participants and Design

One hundred and sixteen students from a German university participated in the experiment for a compensation of €8.00 or course credit. Three dyads were excluded due to procedural mistakes during the experiment (e.g., they were provided with the wrong payoff tables). The remaining sample included 110 participants ($M_{age} = 22.10$, $SD = 3.21$; 87 females, 21 males, 2 other). As in the previous experiments, all participants had a chance to win one of six bonuses with a total value of €50. The experiment employed a 2 (Interdependence mindset: yes vs. no; between-subjects) × 2 (Conflict structure: variable-sum at the proximal vs. distal level; within-subjects) mixed design. A sensitivity analysis revealed that our sample ($N = 55$ dyads) had 80% power to detect a medium effect size of $f = 0.23$ for the interaction effect, given the observed correlation among repeated measures ($r = 0.28$).

6.1.2 | Negotiation Task and Procedure

The negotiation task and procedure followed that of Experiments 2 and 3, except that all external parties were negatively dependent on the negotiators' outcomes (see Appendix Table A7).

6.1.3 | Manipulation of the Conflict Structure

To test our hypothesis, we again methodologically varied the conflict structure at the proximal and distal levels *within* subjects, following the same procedure as in Experiment 2.

6.1.4 | Manipulation of the Interdependence Mindset

After reading the negotiation instructions, participants in the interdependence mindset condition were asked to reflect on and answer four questions describing the potential future interactions with external parties (e.g., 'Please consider and describe to what extent your decisions in the current negotiation may influence the behavior of the external parties in your future interactions'; 'In what way can the decisions of the external parties influence the development of your trading post?'). In the control condition, participants were asked to answer four questions describing the negotiation background (e.g., 'Please think about the other goods you would like to receive in addition to the eight goods from the current negotiation'; 'Please think about the industrial goods that could be produced using the eight goods from the current negotiation'.).

6.1.5 | Measures

6.1.5.1 | Manipulation Check. To assess the success of the interdependence mindset manipulation, participants were asked to rate their agreements with two items (i.e., 'Before the negotiation, I was asked to think about the future interactions with my external parties'; 'Before the negotiation, I was asked to think about the economic situations in the given negotiation context') on a scale ranging from 1 ('not at all') to 7 ('very much').

6.1.5.2 | Dependent Variables. We utilized the same measures as in the previous experiments for the outcomes at the proximal and distal levels and participants' logrolling behaviour. Additionally, to examine whether our manipulation increased

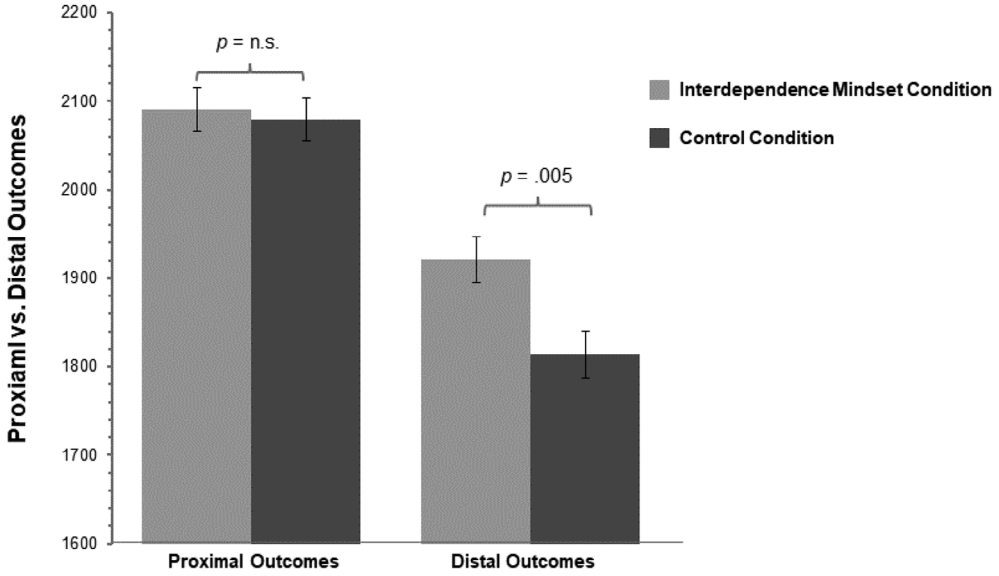

FIGURE 4 | Experiment 4: The achieved outcomes at the proximal versus distal level. *Note:* Error bars indicate ±1 SEM.

negotiators' perceived interdependence with their external parties, we employed 12 items adapted from the perceived interdependence scales of Balliet et al. (2017) and Gerpott et al. (2018; e.g., 'In this negotiation, I felt that I was dependent on the nearby cities'; 'I felt that the nearby cities were dependent on me'; 'I felt that my decision in the current negotiation would have consequences on my future outcomes'. $\alpha = 0.86$; for all items, see the Appendix, p. 84). The items were presented using a scale ranging from 1 ('not at all') to 7 ('very much').

6.2 | Results

6.2.1 | Manipulation Check

Independent-sample t-tests indicated that the manipulation was successful: participants in the interdependence mindset condition gave more affirmative answers to the interdependence mindset item ($M = 6.20$, $SD = 1.56$) than participants in the control condition (M = 4.63, SD = 1.90), $t(105.28) = 4.77$, $p < 0.001$, $d = 0.91$. Conversely, participants in the control condition gave more affirmative answers to the control item ($M = 5.84$, $SD = 1.70$) than participants in the positive-dependence condition ($M = 3.43$, $SD = 2.14$), $t(101.11) = 6.53$, $p < 0.001$, $d = 1.25$.

6.2.2 | Outcomes at Proximal Versus Distal Levels

To test whether adopting an interdependence mindset increases external parties' outcomes at the distal level and reduces the proximity effect, we conducted a 2 (Interdependence mindset) × 2 (Conflict structure; repeated measures) mixed ANOVA. The analysis revealed the predicted interaction effect, $F(1, 53) = 5.03$, $p = 0.029$, $\eta^2_p = 0.09$ (see Figure 4). Supporting H3, pairwise comparisons revealed that while adopting an interdependence mindset did not improve outcomes at the proximal level between negotiation parties (interdependence mindset vs. control condition: $M = 2091.11$, $SD = 134.55$ vs. $M = 2079.29$, $SD = 121.17$), $F(1, 53) = 0.12$, $p = 0.733$, it effectively increased distal outcomes for external parties ($M = 1920.74$, $SD = 138.73$) compared to the control condition ($M = 1813.57$, $SD = 133.45$), $F(1, 53) = 8.53$, $p = 0.005$, $\eta^2_p = 0.14$.

Further supporting H3, there was a main effect of the interdependence mindset, $F(1, 53) = 4.34$, $p = 0.042$, $\eta^2_p = 0.08$, suggesting that adopting an interdependence mindset led to higher overall outcomes across proximal and distal levels ($M = 2005.93$, $SE = 20.39$) than the control condition ($M = 1946.43$, $SE = 20.02$). Finally, we found a main effect for the conflict structure, $F(1, 53) = 105.13$, $p < 0.001$, $\eta^2_p = 0.67$. Replicating the proximity effect (H1), we again showed that, in general, negotiating dyads realized more integrative potential at the proximal level and reached higher outcomes with their counterparts ($M = 2085.09$, $SD = 126.86$) than those for the external parties at the distal level ($M = 1866.18$, $SD = 145.24$).

6.2.3 | Logrolling Behaviour During the Negotiation

Dyads' logrolling behaviour during the negotiation was analysed with a 2 (Interdependence mindset) × 3 (Offer round: second vs. third vs. fourth offer; repeated measures) mixed ANOVA. The analysis revealed significant main effects for the interdependence mindset, $F(1, 53) = 9.60$, $p = 0.003$, $\eta 2$ p = 0.15, and the offers, $F(1.79, 94.91) = 7.14$, $p = 0.002$, $\eta^2_p = 0.12$. The interaction effect was not significant, $F(1.79, 94.91) = 1.52$, $p = 0.225$. In general, participants engaged in more logrolling when they adopted an interdependence mindset ($M = 6.49$, $SE = 0.73$) than the control condition ($M = 3.34$, $SE = 0.71$). Additionally, they engaged in more logrolling as the negotiation progressed ($M = 4.33$, $SD = 4.01$; $M = 4.96$, $SD = 4.44$; $M = 5.36$, $SD = 4.22$, for the second, third and fourth offers, respectively).

6.2.4 | Perceived Interdependence with External Parties

An independent-sample *t*-test revealed that adopting an interdependence mindset significantly increased negotiators' perceived

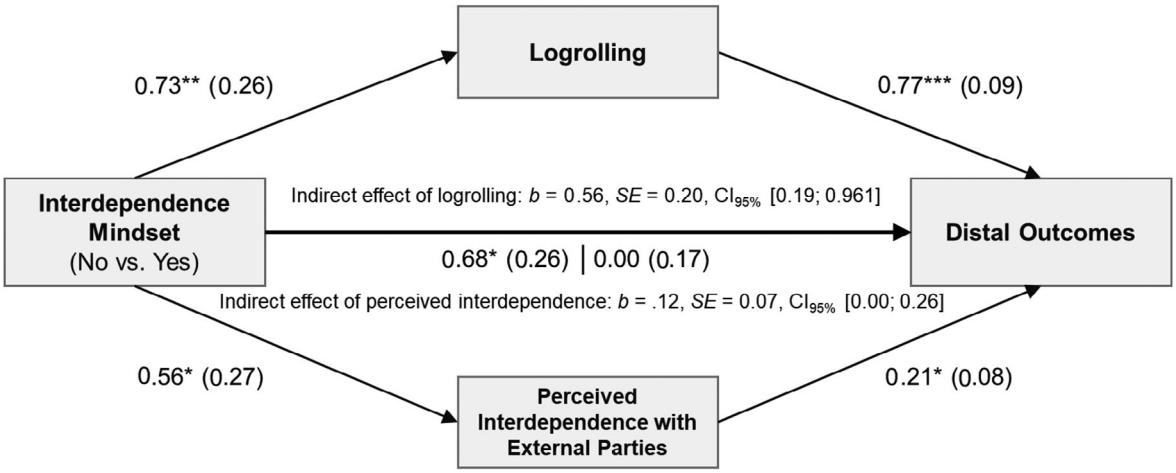

FIGURE 5 | **FIGURE 5** Experiment 5: Mediation analysis of negotiators' logrolling behaviours and perceived interdependence with external parties. *Note:* The mediation model summarizes the effect of the interdependence mindset on the distal outcomes as mediated by dyads' logrolling behaviours and perceived interdependence with external parties. The numbers represent standardized regression coefficients. Standard errors are in parentheses (* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$).

interdependence with the external parties ($M = 5.08$, $SD = 0.68$) compared to the control condition ($M = 4.67$, $SD = 0.71$), $t(50) = 2.08$, $p = 0.042$, $d = 0.58$.

6.2.5 | Mediation Analysis

We explored whether participants' logrolling behaviours and perceived interdependence with the external parties accounted for the effect of the interdependence mindset on the increased distal outcomes. To this end, we conducted process analyses using a bootstrapping procedure with 5000 iterations. The interdependence mindset served as the predictor, achieved distal outcomes as the dependent variable, and participants' logrolling behaviours and perceived interdependence with the external parties as the mediators (Hayes 2015, Model 4). Bootstrapping analyses corroborated that these two factors mediated the effect of the interdependence mindset on the distal outcomes (indirect effect: $b = 0.68$, BC 95% CI [0.27, 1.11]; see Figure 5).

6.3 | Discussion

In addition to replicating the proximity effect, Experiment 4 uncovers a way to overcome this effect: An interdependence mindset increases negotiators' distal and inclusive outcomes. We also demonstrated that an interdependence mindset led to more frequent logrolling behaviours and greater perceived interdependence with the external parties. These factors, in turn, contributed to higher distal outcomes for the external parties.

7 | Internal Meta-Analysis

We conducted an internal meta-analysis (McShane and Böckenholt 2022) to quantify the proximity effect. To include all experiments in the meta-analysis and to make the outcomes at the proximal and distal levels comparable across experiments, we standardized the negotiation outcomes by calculating the percentage of the maximum outcomes realized by negotiating dyads (i.e., relative outcomes = mean achieved outcomes/maximum outcomes × 100; see, e.g., Beersma and De Dreu 2002; Warsitzka et al. 2023). Results revealed that negotiators explored 10% more integrative potential at the proximal level than at the distal level, given the same level of achievable outcomes. Specifically, the internal meta-analysis estimated an effect of 4.92 relative profit points (CI 95%: 1.75, 8.08) for the comparison between proximal and distal outcomes with an integrative potential of 50 relative profit points in all experiments (for details, see the Appendix, p. 87). These meta-analytic results suggest the robustness of the proximity effect in negotiations affecting external parties.

8 | General Discussion

The existing literature has largely overlooked that many negotiations involve externalities–outcomes that affect external parties beyond the bargaining table. We conducted four experiments to investigate how, when and why negotiators consider the outcomes of these external parties. Across studies, we consistently observed a proximity effect: negotiators prioritized achieving integrative outcomes with their direct counterparts, while neglecting the outcomes of external parties. Notably, this effect persisted even when attending to external outcomes imposed no economic cost (Experiment 2), challenging classical rational models of negotiation that assume utility-maximizing actors consider all relevant outcomes (Raiffa 1982).

We also examined boundary conditions of the proximity effect. When external parties were positively interdependent–that is, their outcomes aligned with those of the negotiators–participants were as willing to integrate external outcomes as they were those of their counterparts (Experiment 3). In contrast, under negative interdependence, negotiators continued to disregard external parties, thereby missing opportunities for value creation.

This finding contradicts rational choice models, which predict that negotiators should remain indifferent to others' dependence as long as their own payoffs are unaffected (Rubinstein 1982). To address this motivational gap, Experiment 4 introduced an interdependence mindset–a psychological intervention highlighting potential connections with external parties. This mindset increased negotiators' willingness to incorporate external positions, enabling more inclusive and integrative outcomes beyond the table.

8.1 | Theoretical Contributions

8.1.1 | Extending the Scope of Negotiation Research

Our research addresses a critical gap in negotiation studies by examining situations in which negotiated agreements affect external parties–contexts that have been largely overlooked in the literature (e.g., Menkel-Meadow 2009). We demonstrate that while negotiators often neglect the outcomes of these external parties, they can be motivated to consider their positions at the distal level. This work complements research on representative negotiations (e.g., Aaldering and Ten Velden, 2018) and underscores the importance of investigating negotiations that involve stakeholders beyond those directly at the bargaining table. Additionally, we introduce a novel experimental paradigm that captures outcomes both at and beyond the table, directly responding to calls for more empirical research on negotiation externalities (Trötschel et al. 2022).

8.1.2 | Understanding the Underlying Mechanisms of the Proximity Effect

This research deepens our understanding of the proximity effect by examining its cognitive and motivational roots. Negotiators face the dual challenge of integrating the positions and priorities of both their counterparts and external parties. Doing so requires not only the cognitive capacity to process information at both the proximal and distal levels but also sufficient motivation to consider outcomes beyond the table. While the proximity effect could stem from cognitive limitations or a lack of motivation, our findings point primarily to the latter. In Experiment 3, the proximity effect disappeared under conditions of positive interdependence, indicating that negotiators are capable of integrating external parties' positions when sufficiently motivated.

One might argue that the greater salience of negotiating counterparts–due to their presence and interaction–drew negotiators' attention away from external parties. However, our findings do not support this explanation. In Experiment 1, where no counterpart interaction occurred, participants still prioritized their counterparts over external parties. In Experiments 2–4, even though negotiators had full information about external parties' positions and priorities–and had to explore their counterparts' priorities through interaction–the proximity effect persisted. These results suggest that attentional differences alone do not explain the proximity effect; rather, it reflects a motivational asymmetry in how negotiators treat proximal and distal outcomes.

8.2 | Practical Implications

Our findings offer valuable guidance for managers and organizations navigating negotiations that may affect external parties. This research shows that integrating the positions and priorities of both negotiation counterparts and external stakeholders is not only feasible but also beneficial. Managers are encouraged to identify opportunities to integrate priority differences at and beyond the table–even when external parties are negatively interdependent. Overlooking these opportunities can result in missed integrative potential and long-term costs, such as diminished trust or the loss of future collaboration partners. One promising strategy for improving inclusive outcomes is fostering an interdependence mindset. This can be achieved by emphasizing potential interdependence in organizational culture (Mannix et al. 1995), incorporating it into negotiation goals (Trötschel and Gollwitzer 2007) or implementing targeted negotiation training (Ade et al. 2018). Given today's complex web of stakeholder relationships, external parties in one negotiation may become collaborators or decision-makers in future contexts (Mann et al. 2022). As such, managers should encourage employees to adopt a long-term perspective and to proactively consider interdependencies with external parties during negotiations.

8.3 | Limitations and Future Research

Our research opens several avenues for future inquiry. First, we focused on externalities involving positive outcomes (i.e., benefits), but negotiations can also generate burdens for external parties, such as environmental harm or debt. Prior research shows that negotiating over burdens triggers greater self-interest, contentious behaviour and extreme demands (Majer et al. 2022; Okhuysen et al. 2003). Future work should examine whether the valence of externalities–benefits versus burdens–differentially influences negotiators' willingness to consider external outcomes.

Second, we modelled external dependence as either aligned or opposed to negotiators' positions (positive vs. negative dependence). In reality, external parties often differ in number, status and influence. Majority stakeholders tend to exert stronger influence due to their perceived legitimacy and power (Kelman 1958; Martin and Hewstone 2008), while minority voices can promote deeper cognitive processing (Moscovici 1980). Future studies should examine how majority versus minority status shapes negotiators' attention to external parties.

Third, while we focused on economic outcomes, relational outcomes–such as trust and social capital–are also crucial. Agreements that attend to external interests may strengthen long-term relationships, while neglect may harm them (Croson and Glick 2001; Fortgang et al. 2003; Thompson et al. 2010). In Experiment 3, negotiators reported stronger relational ties with external parties when their positions were integrated. Future research should explore how attention to external outcomes impacts social capital over time.

Finally, we examined a minimal social context in which external parties had no prior relationship or foreseeable interaction with negotiators. In many real-world settings, however, external

parties may share social identities, pose future competition or become collaborators. Future work should explore how social identity and potential future interdependence influence negotiators' behaviour toward external stakeholders.

9 | Conclusion

The existing literature has largely overlooked negotiation scenarios that affect external parties beyond the bargaining table. This research is the first to systematically examine how, when and why negotiators consider the outcomes of these external parties in their decision-making. Across four experiments, we show that negotiators often irrationally neglect external parties' positions and priorities–even when integrating them would incur no economic cost. However, this proximity effect can be reduced when negotiators experience positive interdependence with external parties or adopt an interdependence mindset. These findings underscore the critical role of motivation and perspective-taking in overcoming biases and achieving more inclusive negotiation outcomes.

Acknowledgements

This research was supported by a grant from the German Research Foundation (DFG-TR 565/6-2) awarded to Roman Trötschel. We thank Marco Schauer and Caroline Heydenbluth for their feedback on earlier drafts.

Open access funding enabled and organized by Projekt DEAL.

Ethics Statement

The manuscript adheres to ethical guidelines specified in the APA Code of Conduct as well as the authors' national ethics guidelines.

Conflicts of Interest

The authors declare no conflicts of interest.

Data Availability Statement

All materials, data and analysis scripts associated with this manuscript are openly available at the Open Science Framework (OSF): https://osf.io/6qy8d/?view_only=3ddceffda155422d88960764b5c64b57.

Endnotes

[1] To realize the integrative potential, negotiators can also employ other strategies, such as adding additional issues or negotiating parties and unbundling negotiation issues (Lax and Sebenius 1986; Thompson 2014). In the current research, we limit our focus to the strategy of integrative logrolling.

[2] Participants' first offers were not assessed because we used them to accustom participants to the task. Moreover, because participants did not receive information about the payoffs of their counterparts and the external party when making the first proposal, it was not possible to investigate their exploitation of the integrative potential at the proximal versus distal level. The inclusive outcomes based on participants' first offers did not significantly differ between the two conditions, $t(71) = 1.57$, $p = 0.121$. Besides, three participants did not enter their interim offers. Their interim offers were thus replaced by their final offers (e.g., Trötschel et al. 2011). Excluding these data yielded the same pattern of results.

[3] In this experiment, we instructed participants to record their negotiation proposals and their counterparts' proposals every five minutes during the negotiation. This allowed us to gain insights into participants' behaviours, such as logrolling, throughout the bargaining process. For better readability, we reported the detailed analyses of these data in the Appendix (p. 58).

[4] One participant did not answer the items on the perceived relationship. This dyad was therefore excluded from the relevant analysis.

[5] We excluded dyads' opening proposals from analysis because they did not involve interaction with the negotiation counterpart and thus could not reflect the exploration of integrative potential. Additionally, 89.3% of participants reached an agreement before making their fifth proposal. For those who did, the logrolling score for the fifth proposal was replaced with the score from their final agreement. Since our primary aim was to analyse behaviour during the bargaining process, we also excluded data from the fifth proposal. Importantly, the pattern of results remained consistent when these data were included.

[6] Due to heterogeneity in variances, we adjusted the degrees of freedom for the *t*-test. In subsequent analyses, we adjusted the degrees of freedom whenever variances were heterogeneous.

[7] For the within-subjects factor offers, Mauchly's test indicated that the assumption of sphericity was violated, $\chi^2(2) = 37.45$, $p < 0.001$. However, since the calculated value of the Greenhouse–Geisser correction ($\mathcal{E} = 0.762$) is closer to the upper limit of 1 than the lower limit of 0.50, the corrected values of F for the Greenhouse–Geisser adjustment will be used. In subsequent analyses, we adjusted the degrees of freedom whenever the assumption of sphericity was violated.

References

Aaldering, H., and F. S. Ten Velden. 2018. "How representatives with a dovish constituency reach higher individual and joint outcomes in integrative negotiations." *Group Processes and Intergroup relations* 21, no. 1: 111–126. https://doi.org/10.1177/1368430216656470.

Ade, V., C. Schuster, F. Harinck, and R. Trötschel. 2018. "Mindset-Oriented Negotiation Training (MONT): Teaching More Than Skills and Knowledge." *Frontiers in Psychology* 9, no. JUN: 1–13. https://doi.org/10.3389/fpsyg.2018.00907.

Admati, A. R., and M. Perry. 1987. "Strategic Delay in Bargaining." *The Review of Economic Studies* 54, no. 3: 345. https://doi.org/10.2307/2297563.

Andreoni, J. 1995. "Warm-Glow Versus Cold-Prickle: The Effects of Positive and Negative Framing on Cooperation in Experiments." *The Quarterly Journal of Economics* 110, no. 1: 1–21. https://doi.org/10.2307/2118508.

Anwyl-Irvine, A. L., J. Massonnié, A. Flitton, N. Kirkham, and J. K. Evershed. 2020. "Gorilla in Our Midst: An Online Behavioral Experiment Builder." *Behavior Research Methods* 52, no. 1: 388–407. https://doi.org/10.3758/s13428-019-01237-x.

Aust, F., B. Diedenhofen, S. Ullrich, and J. Musch. 2013. "Seriousness Checks Are Useful to Improve Data Validity in Online Research." *Behavior Research Methods* 45, no. 2: 527–535. https://doi.org/10.3758/s13428-012-0265-2.

Balliet, D., J. M. Tybur, and P. A. M. van Lange. 2017. "Functional Interdependence Theory: An Evolutionary Account of Social Situations." *Personality and Social Psychology Review* 21, no. 4: 361–388. https://doi.org/10.1177/1088868316657965.

Balliet, D., and P. A. M. Van Lange. 2013. "Trust, Conflict, and Cooperation: A Meta-Analysis." *Psychological Bulletin* 139, no. 5: 1090–1112. https://doi.org/10.1037/a0030939.

Bazerman, M. H., T. Magliozzi, and M. A. Neale. 1985. "Integrative Bargaining in a Competitive Market." *Organizational Behavior and Human Decision Processes* 35, no. 3: 294–313. https://doi.org/10.1016/0749-5978(85)90026-3.

Bazerman, M. H., and M. A. Neale. 1992. *Negotiating Rationally*. Free Press.

Beersma, B., and C. K. W. D. Dreu. 2002. "Integrative and Distributive Negotiation in Small Groups: Effects of Task Structure, Decision Rule, and Social Motive." *Organizational Behavior and Human Decision Processes* 87, no. 2: 227–252. https://doi.org/10.1006/obhd.2001.2964.

Benabou, R., and J. Tirole. 2002. "Self-Confidence and Personal Motivation." *The Quarterly Journal of Economics* 117, no. 3: 871–915. https://doi.org/10.1162/003355302760193913.

Bies, R. J., and D. L. Shapiro. 1988. "Voice and Justification: Their Influence on Procedural Fairness Judgments." *Academy of Management Journal* 31, no. 3: 676–685. https://doi.org/10.5465/256465.

Biglan, A. 2009. "The Role of Advocacy Organizations in Reducing Negative Externalities." *Journal of Organizational Behavior Management* 29, no. 3–4: 215–230. https://doi.org/10.1080/01608060903092086.

Blau, P. M. 1964. *Exchange and Power in Social Life*. John Wiley & Sons.

Bogacki, J., and P. Letmathe. 2021. "Representatives of Future Generations as Promoters of Sustainability in Corporate Decision Processes." *Business Strategy and the Environment* 30, no. 1: 237–251. https://doi.org/10.1002/bse.2618.

Böhm, R., and M. M. P. Theelen. 2016. "Outcome Valence and Externality Valence Framing in Public Good Dilemmas." *Journal of Economic Psychology* 54: 151–163. https://doi.org/10.1016/j.joep.2016.04.003.

Boothby, E. J., G. Cooney, and M. E. Schweitzer. 2023. "Embracing Complexity: A Review of Negotiation Research." *Annual Review of Psychology* 74, no. 1: 299–332. https://doi.org/10.1146/annurev-psych-033020-014116.

Brett, J., and L. Thompson. 2016. "Negotiation." *Organizational Behavior and Human Decision Processes* 136: 68–79. https://doi.org/10.1016/j.obhdp.2016.06.003.

Buchanan, J. M. 1971. *The Bases for Collective Action*. General Learning.

Camerer, C. 2003. *Behavioral Game Theory: Experiments in Strategic Interaction*. Princeton University Press.

Cropanzano, R., E. L. Anthony, S. R. Daniels, and A. V. Hall. 2017. "Social Exchange Theory: A Critical Review With Theoretical Remedies." *Academy of Management Annals* 11, no. 1: 479–516. https://doi.org/10.5465/annals.2015.0099.

Cropanzano, R., and M. S. Mitchell. 2005. "Social Exchange Theory: An Interdisciplinary Review." *Journal of Management* 31, no. 6: 874–900. https://doi.org/10.1177/0149206305279602.

Croson, R., and S. Glick. 2001. "Reputations in Negotiations." In *Wharton on Making Decisions*, edited by S. Hoch and H. Kunreuther, 177–186. Wiley.

Curhan, J. R., H. A. Elfenbein, and N. Eisenkraft. 2010. "The Objective Value of Subjective Value: A Multi-Round Negotiation Study." *Journal of Applied Social Psychology* 40, no. 3: 690–709. https://doi.org/10.1111/j.1559-1816.2010.00593.x.

Curhan, J. R., H. A. Elfenbein, and G. J. Kilduff. 2009. "Getting off on the Right Foot: Subjective Value Versus Economic Value in Predicting Longitudinal Job Outcomes From Job Offer Negotiations." *Journal of Applied Psychology* 94, no. 2: 524–534. https://doi.org/10.1037/a0013746.

Curhan, J. R., H. A. Elfenbein, and H. Xu. 2006. "What Do People Value When They Negotiate? Mapping the Domain of Subjective Value in Negotiation." *Journal of Personality and Social Psychology* 91, no. 3: 493–512. https://doi.org/10.1037/0022-3514.91.3.493.

Dahlman, C. J. 1979. "The Problem of Externality." *The Journal of Law and Economics* 22, no. 1: 141–162. https://doi.org/10.1086/466936.

De Dreu, C. K. W., B. Beersma, K. Stroebe, and M. C. Euwema. 2006. "Motivated Information Processing, Strategic Choice, and the Quality of Negotiated Agreement." *Journal of Personality and Social Psychology* 90, no. 6: 927–943. https://doi.org/10.1037/0022-3514.90.6.927.

Dijksterhuis, A., and H. Aarts. 2010. "Goals, Attention, and (Un)Consciousness." *Annual Review of Psychology* 61: 467–490. https://doi.org/10.1146/annurev.psych.093008.100445.

Donaldson, T., and L. E. Preston. 1995. "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications." *The Academy of Management Review* 20, no. 1: 65. https://doi.org/10.2307/258887.

Dweck, C. S. 2017. *Mindset: Changing the Way You Think to Fulfill Your Potential*. Robinson.

Dyer, J. H., and H. Singh. 1998. "The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage." *The Academy of Management Review* 23, no. 4: 660. https://doi.org/10.2307/259056.

Ekeli, K. S. 2005. "Giving a Voice to Posterity–Deliberative Democracy and Representation of Future People." *Journal of Agricultural and Environmental Ethics* 18, no. 5: 429–450. https://doi.org/10.1007/s10806-005-7048-z.

Faul, F., E. Erdfelder, A. Buchner, and A.-G. Lang. 2009. "Statistical Power Analyses Using G*Power 3.1: Tests for Correlation and Regression Analyses." *Behavior Research Methods* 41, no. 4: 1149–1160. https://doi.org/10.3758/BRM.41.4.1149.

Fisher, R., W. L. Ury, and B. Patton. 2012. *Getting to Yes: Negotiating Agreement Without Giving In*. Penguin Books.

Fortgang, R. S., D. A. Lax, and J. K. Sebenius. 2003. "Negotiating the Spirit of the Deal." *Harvard Business Review* 81, no. 2: 66–75, 124.

Freeman, R. E. 1984. *Strategic Management: A Stakeholder Approach*. Cambridge University Press.

Friede, G., T. Busch, and A. Bassen. 2015. "ESG and Financial Performance: Aggregated Evidence From More Than 2000 Empirical Studies." *Journal of Sustainable Finance & Investment* 5, no. 4: 210–233. https://doi.org/10.1080/20430795.2015.1118917.

Froman, L. A., and M. D. Cohen. 1970. "Research Reports. Compromise and Logroll: Comparing the Efficiency of Two Bargaining Processes." *Behavioral Science* 15, no. 2: 180–183. https://doi.org/10.1002/bs.3830150209.

Galak, J., R. A. LeBoeuf, L. D. Nelson, and J. P. Simmons. 2012. "Correcting the Past: Failures to Replicate Psi." *Journal of Personality and Social Psychology* 103, no. 6: 933–948. https://doi.org/10.1037/a0029709.

Galinsky, A. D., W. W. Maddux, D. Gilin, and J. B. White. 2008. "Why It Pays to Get Inside the Head of Your Opponent: The Differential Effects of Perspective-Taking and Empathy in Strategic Interactions." *Psychological Science* 19, no. 4: 378–384. https://doi.org/10.1111/j.1467-9280.2008.02096.x.

Gelfand, M. J., C. A. Fulmer, and L. Severance. 2011. "The Psychology of Negotiation and Mediation." In *APA Handbook of Industrial and Organizational Psychology, Vol 3: Maintaining, Expanding, and Contracting The Organization*, 495–554. American Psychological Association. https://doi.org/10.1037/12171-014.

Gerpott, F. H., D. Balliet, S. Columbus, C. Molho, and R. E. d. Vries. 2018. "How Do People Think About Interdependence? A Multidimensional Model of Subjective Outcome Interdependence." *Journal of Personality and Social Psychology* 115, no. 4: 716–742. https://doi.org/10.1037/pspp0000166.

Gollwitzer, P. M. 1990. "Action Phases and Mind-Sets." In *Handbook of Motivation and Cognition: Foundations of Social Behavior*, edited by E. T. Higgins and R. M. Sorrentino, Vol. 2: 53–92. The Guilford Press.

Gollwitzer, P. M., and L. Keller. 2016. "Mindset theory." In *Encyclopedia of Personality and Individual Differences*, edited by V. Zeigler-Hill and T. K. Shackelford, 1–8. Springer. https://doi.org/10.1007/978-3-319-28099-8_1141-1.

Gouldner, A. W. 1960. "The Norm of Reciprocity: A Preliminary Statement." *American Sociological Review* 25, no. 2: 161. https://doi.org/10.2307/2092623.

Güth, W., and R. Tietz. 1990. "Ultimatum Bargaining Behavior." *Journal of Economic Psychology* 11, no. 3: 417–449. https://doi.org/10.1016/0167-4870(90)90021-Z.

Haccoun, R. R., and R. J. Klimoski. 1975. "Negotiator Status and Accountability Source: A Study of Negotiator Behavior." *Organizational Behavior*

and Human Performance 14, no. 3: 342–359. https://doi.org/10.1016/0030-5073(75)90035-5.

Hayes, A. F. 2015. "An Index and Test of Linear Moderated Mediation." *Multivariate Behavioral Research* 50, no. 1: 1–22. https://doi.org/10.1080/00273171.2014.962683.

Hertel, G., U. Konradt, and B. Orlikowski. 2004. "Managing Distance by Interdependence: Goal Setting, Task Interdependence, and Team-Based Rewards in Virtual Teams." *European Journal of Work and Organizational Psychology* 13, no. 1: 1–28. https://doi.org/10.1080/13594320344000228.

Hillman, A. J., M. C. Withers, and B. J. Collins. 2009. "Resource Dependence Theory: A Review." *Journal of Management* 35, no. 6: 1404–1427. https://doi.org/10.1177/0149206309343469.

Hüffmeier, J., P. A. Freund, A. Zerres, K. Backhaus, and G. Hertel. 2014. "Being Tough or Being Nice? A Meta-analysis on the Impact of Hard- and Softline Strategies in Distributive Negotiations." *Journal of Management* 40, no. 3: 866–892. https://doi.org/10.1177/0149206311423788.

Jang, D., H. A. Elfenbein, and W. P. Bottom. 2018. "More Than a Phase: Form and Features of a General Theory of Negotiation." *Academy of Management Annals* 12, no. 1: 318–356. https://doi.org/10.5465/annals.2016.0053.

Janssen, O., E. Van De Vliert, and C. Veenstra. 1999. "How Task and Person Conflict Shape the Role of Positive Interdependence in Management Teams." *Journal of Management* 25, no. 2: 117–141. https://doi.org/10.1177/014920639902500201.

Johnson, D. W., G. Maruyama, R. Johnson, D. Nelson, and L. Skon. 1981. "Effects of Cooperative, Competitive, and Individualistic Goal Structures on Achievement: A Meta-Analysis." *Psychological Bulletin* 89, no. 1: 47–62. https://doi.org/10.1037/0033-2909.89.1.47.

Jones, B. D., and F. R. Baumgartner. 2005. *The Politics of Attention: How Government Prioritizes Problems*. University of Chicago Press.

Kelley, H. H. 1984. "The Theoretical Description of Interdependence by Means of Transition Lists." *Journal of Personality and Social Psychology* 47, no. 5: 956–982. https://doi.org/10.1037/0022-3514.47.5.956.

Kelley, H. H., J. G. Holmes, N. L. Kerr, H. T. Reis, C. E. Rusbult, and P. A. M. Van Lange. 2003. *An Atlas of Interpersonal Situations*. Cambridge University Press. https://doi.org/10.1017/CBO9780511499845.

Kelley, H. H., and J. Thibaut. 1978. *Interpersonal Relations: A Theory of Interdependence*. Wiley.

Kelman, H. C. 1958. "Compliance, Identification, and Internalization Three Processes of Attitude Change." *Journal of Conflict Resolution* 2, no. 1: 51–60. https://doi.org/10.1177/002200275800200106.

Laffont, J. J. 2008. "Externalities." In *The New Palgrave Dictionary of Economics*, edited by S. N. Durlauf and L. E. Blume, Vol. 1–8: 1998–2000. Palgrave Macmillan. https://doi.org/10.1016/0304-3932(90)90064-B.

Lax, D. A., and J. K. Sebenius. 1986. "Three Ethical Issues in Negotiation." *Negotiation Journal* 2, no. 4: 363–370. https://doi.org/10.1007/bf00999004.

Loschelder, D. D., M. Friese, and R. Trötschel. 2017. "How and Why Precise Anchors Distinctly Affect Anchor Recipients and Senders." *Journal of Experimental Social Psychology* 70: 164–176. https://doi.org/10.1016/j.jesp.2016.11.001.

Ma, A., Y. Yang, and K. Savani. 2019. ""Take It or Leave It!" A Choice Mindset Leads to Greater Persistence and Better Outcomes in Negotiations." *Organizational Behavior and Human Decision Processes* 153: 1–12. https://doi.org/10.1016/j.obhdp.2019.05.003.

Majer, J. M., M. Barth, H. Zhang, M. v. Treek, and R. Trötschel. 2021. "Resolving Conflicts Between People and Over Time in the Transformation Toward Sustainability: A Framework of Interdependent Conflicts." *Frontiers in Psychology* 12: 623757. https://doi.org/10.3389/fpsyg.2021.623757.

Majer, J. M., K. Zhang, H. Zhang, B. P. Höhne, and R. Trötschel. 2022. "Give and Take Frames in Shared-Resource Negotiations." *Journal of Economic Psychology* 90: 102492. https://doi.org/10.1016/j.joep.2022.102492.

Malhotra, D., and M. H. Bazerman. 2008. "Psychological Influence in Negotiation: An Introduction Long Overdue." *Journal of Management* 34, no. 3: 509–531. https://doi.org/10.1177/0149206308316060.

Mann, M., M. Warsitzka, H. Zhang, J. Hüffmeier, and R. Trötschel. 2022. "When Control Does Not Pay Off: The Dilemma Between Trade-off Opportunities and Budget Restrictions in B2B Negotiations." *Negotiation and Conflict Management Research* 15, no. 4. https://doi.org/10.34891/20220406-431.

Mannix, E. A., M. A. Neale, and G. B. Northcraft. 1995. "Equity, Equality, or Need? The Effects of Organizational Culture on the Allocation of Benefits and Burdens." *Organizational Behavior and Human Decision Processes* 63, no. 3: 276–286. https://doi.org/10.1006/obhd.1995.1079.

Martin, R., and M. Hewstone. 2008. "Majority versus Minority Influence, Message Processing and Attitude Change: The Source-Context-Elaboration Model." *Advances in Experimental Social Psychology* 40: 237–326. https://doi.org/10.1016/s0065-2601(07)00005-6.

McGinn, K. L., K. L. Milkman, and M. Nöth. 2012. "Walking the Talk in Multiparty Bargaining: An Experimental Investigation." *Journal of Economic Psychology* 33, no. 1: 278–291. https://doi.org/10.1016/j.joep.2011.10.008.

McShane, B. B., and U. Böckenholt. 2022. "Meta-Analysis of Studies With Multiple Contrasts and Differences in Measurement Scales." *Journal of Consumer Psychology* 32, no. 1: 23–40. https://doi.org/10.1002/jcpy.1236.

Menkel-Meadow, C. 2009. "Chronicling the Complexification of Negotiation Theory and Practice." *Negotiation Journal* 25, no. 4: 415–429. https://doi.org/10.1111/j.1571-9979.2009.00236.x.

Morrison, E. W. 2011. "Employee Voice Behavior: Integration and Directions for Future Research." *The Academy of Management Annals* 5, no. 1: 373–412. https://doi.org/10.1080/19416520.2011.574506.

Moscovici, S. 1980. "Toward a Theory of Conversion Behavior." *Advances in Experimental Social Psychology* 13: 209–239. https://doi.org/10.1016/s0065-2601(08)60133-1.

Murnighan, J. K., L. Babcock, L. Thompson, and M. Pillutla. 1999. "Information Dilemma in Negotiations: Effects of Experience, Information and Integrative Potential." *International Journal of Conflict Management* 10, no. 4: 313–339. https://doi.org/10.1108/eb022828.

Nash, J. F. 1950. "The Bargaining Problem." *Econometrica* 18, no. 2: 155–162. https://doi.org/10.2307/1907266.

Neale, M. A. 1997. "New Recruit." In *Teaching Materials for Negotiations and Decision-Making*, edited by J. M. Brett. Dispute Resolution Research Center.

O'Connor, K. M., and P. J. Carnevale. 1997. "A Nasty but Effective Negotiation Strategy: Misrepresentation of a Common-Value Issue." *Personality and Social Psychology Bulletin* 23, no. 5: 504–515. https://doi.org/10.1177/0146167297235006.

Okhuysen, G. A., A. D. Galinsky, and T. A. Uptigrove. 2003. "Saving the Worst for Last: The Effect of Time Horizon on the Efficiency of Negotiating Benefits and Burdens." *Organizational Behavior and Human Decision Processes* 91, no. 2: 269–279. https://doi.org/10.1016/s0749-5978(03)00023-2.

Pigou, A. C. 1920. *The Economics of Welfare*. Macmillan.

Pinkley, R. L., T. L. Griffith, and G. B. Northcraft. 1995. ""Fixed Pie" a la Mode: Information Availability, Information Processing, and the Negotiation of Suboptimal Agreements." *Organizational Behavior and Human Decision Processes* 62, no. 1: 101–112. https://doi.org/10.1006/obhd.1995.1035.

Porter, M. E., and M. R. Kramer. 2006. "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility." *Harvard Business Review* 84, no. 12: 78–92.

Pruitt, D. G., and P. J. Carnevale. 1993. *Negotiation in Social Conflict*. Open University Press.

Raiffa, H. 1982. *The Art and Science of Negotiation*. Harvard University Press.

Raiffa, H., J. Richardson, and D. Metcalfe. 2007. *Negotiation Analysis: The Science and Art of Collaborative Decision Making*. Harvard University Press.

Riley, C. (2019, April 5). "*EU Accuses German Carmakers of Colluding to Delay Clean Air Technology*." *CNN*. https://edition.cnn.com/2019/04/05/business/volkswagen-bmw-daimler-antitrust-emissions/index.html.

Ross, L., and C. Stillinger. 1991. "Barriers to Conflict Resolution." *Negotiation Journal* 7, no. 4: 389–404. https://doi.org/10.1007/bf01000332.

Rubinstein, A. 1982. "Perfect Equilibrium in a Bargaining Model." *Econometrica* 50, no. 1: 97. https://doi.org/10.2307/1912531.

Rucker, D. D., and A. D. Galinsky. 2016. "Growing Beyond Growth: Why Multiple Mindsets Matter for Consumer Behavior." *Journal of Consumer Psychology* 26, no. 1: 161–164. https://doi.org/10.1016/j.jcps.2015.06.009.

Schweinsberg, M., S. Thau, and M. M. Pillutla. 2021. "Negotiation Impasses: Types, Causes, and Resolutions." *Journal of Management* 014920632110216. https://doi.org/10.1177/01492063211021657.

Shalvi, S., G. Reijseger, M. J. J. Handgraaf, et al. 2013. "Pay to Walk Away: Prevention Buyers Prefer to Avoid Negotiation." *Journal of Economic Psychology* 38: 40–49. https://doi.org/10.1016/j.joep.2012.03.002.

Simmons, J. P., L. D. Nelson, and U. Simonsohn. 2012. "A 21 Word Solution." *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2160588.

Simon, H. A. 1955. "A Behavioral Model of Rational Choice." *The Quarterly Journal of Economics* 69, no. 1: 99. https://doi.org/10.2307/1884852.

Tajfel, H., and M. Billig. 1974. "Familiarity and Categorization in Intergroup Behavior." *Journal of Experimental Social Psychology* 10, no. 2: 159–170. https://doi.org/10.1016/0022-1031(74)90064-X.

Thompson, L. L. 1991. "Information Exchange in Negotiation." *Journal of Experimental Social Psychology* 27, no. 2: 161–179. https://doi.org/10.1016/0022-1031(91)90020-7.

Thompson, L. L. 2014. *The Mind and Heart of the Negotiator*. 6th ed. Pearson.

Thompson, L. L., and D. Hrebec. 1996. "Lose– Agreements in Interdependent Decision Making." *Psychological Bulletin* 120, no. 3: 396–409. https://doi.org/10.1037/0033-2909.120.3.396.

Thompson, L. L., J. Wang, and B. C. Gunia. 2010. "Negotiation." *Annual Review of Psychology* 61, no. 1: 491–515. https://doi.org/10.1146/annurev.psych.093008.100458.

Tjosvold, D. 1986. "The Dynamics of Interdependence in Organizations." *Human Relations* 39, no. 6: 517–540. https://doi.org/10.1177/001872678603900603.

Trötschel, R., and P. M. Gollwitzer. 2007. "Implementation Intentions and the Willful Pursuit of Prosocial Goals in Negotiations." *Journal of Experimental Social Psychology* 43, no. 4: 579–598. https://doi.org/10.1016/j.jesp.2006.06.002.

Trötschel, R., J. Hüffmeier, D. D. Loschelder, K. Schwartz, and P. M. Gollwitzer. 2011. "Perspective Taking as a Means to Overcome Motivational Barriers in Negotiations: When Putting Oneself Into the Opponent's Shoes Helps to Walk Toward Agreements." *Journal of Personality and Social Psychology* 101, no. 4: 771–790. https://doi.org/10.1037/a0023801.

Trötschel, R., M. v. Treek, C. Heydenbluth, K. Zhang, and J. M. Majer. 2022. "From Claiming to Creating Value: The Psychology of Negotiations on Common Resource Dilemmas." *Sustainability* 14, no. 9: 5257. https://doi.org/10.3390/su14095257.

Urbig, D., U. Weitzel, S. Rosenkranz, and A. v. Witteloostuijn. 2012. "Exploiting Opportunities at All Cost? Entrepreneurial Intent and Externalities." *Journal of Economic Psychology* 33, no. 2: 379–393. https://doi.org/10.1016/j.joep.2011.03.003.

Van Lange, P. A. M., D. De Cremer, E. Van Dijk, and M. Van Vugt. 2007. "Self-Interest and Beyond: Basic Principles of Social Interaction." In *Social Psychology—Handbook of Basic Principals*, 4: 540–561. The Guilford Press.

Van Poucke, D., and M. Buelens. 2002. "Predicting the Outcome of a Two-Party Price Negotiation: Contribution of Reservation Price, Aspiration Price and Opening Offer." *Journal of Economic Psychology* 23, no. 1: 67–76. https://doi.org/10.1016/S0167-4870(01)00068-X.

van Treek, M., J. M. Majer, H. Zhang, K. Zhang, and R. Trötschel. 2023. "Present Generation's Negotiators Realize Their Interests at the Cost of Future Generations." *Journal of Environmental Psychology* 91, no. August: 102126. https://doi.org/10.1016/j.jenvp.2023.102126.

Van Voorhis, W. C. R., and B. L. Morgan. 2007. "Understanding Power and Rules of Thumb for Determining Sample Sizes." *Tutorials in Quantitative Methods for Psychology* 3, no. 2: 43–50. https://doi.org/10.20982/tqmp.03.2.p043.

Walton, R., and R. McKersie. 1965. *A Behavioral Theory of Labor Negotiations*. McGraw-Hill.

Warsitzka, M., H. Zhang, B. Beersma, P. A. Freund, and R. Trötschel. 2023. "Expanding the Pie or Spoiling the Cake? How the Number of Negotiation Issues Affects Integrative Bargaining." *Journal of Applied Psychology*. https://doi.org/10.1037/apl0001149.

Weisel, O., and R. Böhm. 2015. "'Ingroup Love' and 'Outgroup Hate' in Intergroup Conflict Between Natural Groups." *Journal of Experimental Social Psychology* 60: 110–120. https://doi.org/10.1016/j.jesp.2015.04.008.

Zeng, M., and X.-P. Chen. 2003. "Achieving Cooperation in Multiparty Alliances: A Social Dilemma Approach to Partnership Management." *Academy of Management Review* 28, no. 4: 587–605. https://doi.org/10.5465/amr.2003.10899383.

Zhang, H., K. Zhang, M. Warsitzka, and R. Trötschel. 2021. "Negotiation Complexity: A Review and an Integrative Model." *International Journal of Conflict Management* 32, no. 4: 554–573. https://doi.org/10.1108/ijcma-03-2020-0051.

Supporting Information

Additional supporting information can be found online in the Supporting Information section.

ejsp3178-sup-0001-SuppMat.pdf