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Action Science and Negotiation

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I. INTRODUCTION

Chris Argyris is a foundational scholar in the world of organizational development and psychology—a world that has long studied conflict and negotiation. His work has explored how we behave, think, and learn in conflict and how we often prevent ourselves from improving our outcomes and our skills. The research of Chris Argyris and his colleagues is missing, however, from most of the negotiation literature with which legal scholars are likely to be familiar. As negotiation scholarship becomes increasingly interdisciplinary, it seems appropriate to bring Argyris's important contributions into the fold. The frameworks captured under the umbrella label of "action science"[1] have a great deal to offer to our understanding of negotiation behavior.

Almost all negotiations are iterated in one way or another. In the office, our relationships with our colleagues are a product of a series of negotiations. Family systems are a product of a stream of negotiations. Even those rare professionals who conduct business in truly one-shot-deal circumstances engage in a series of similar negotiations, making their personal experience of negotiation iterated. Each of these negotiations represents an opportunity to learn—an opportunity most of us miss most of the time.

This short essay seeks to introduce three of Argyris's core concepts—the distinction between espoused theories and theories-in-use, the notion of Model I and Model II behavior, and the concept of double-loop learning—and show how they help to explain negotiation behavior and offer opportunities for negotiation students, theorists, and practitioners.

II. ESPOUSED THEORIES AND THEORIES-IN-USE

Our actions are not accidental—we craft our actions through conscious and subconscious choices based on how we would advise ourselves to behave

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1. The book that captures the bulk of the three theories we describe in this piece is CHRIS ARGYRIS ET AL., ACTION SCIENCE (1985) [hereinafter ARGYRIS ET AL., ACTION SCIENCE].

in response to a given set of circumstances. In other words, our choices are guided by "theories of action"—theories about what will be effective in a given circumstance.[2]

Negotiators have no shortage of theories of action. In describing approaches to negotiation, one person may say that she "always looks for common ground." Another says that he "tries to knock the other side off balance." A third insists that she "sticks to her guns," and a fourth says that he "tries to remain open to learning" throughout the conversation. One of the assumed tasks of the negotiation literature has been to critique various theories of action, sorting good advice from the less universally helpful. A negotiation theorist might ask, for example, "In what ways is it good advice to look for common ground? In what respects might this behavior undermine one's negotiation goals? How might we describe the conditions in which this behavior is most appropriate?" Lines of inquiry such as these have led to the development of important and widely-accepted negotiation advice. "Focus on interests, not positions," for example, is a prominent theory of action for many negotiators.

Predictably, we do not always act in ways that are consistent with our conscious or espoused theories of action. A negotiator says, "It's always best to keep your cool in a negotiation," and then proceeds to explode with emotion during a bargaining session. Afterwards, the negotiator may acknowledge a gap between his espoused theory and his behavior by stating, "I lost it in there. I really should not have." We are human, and we do not always live our lives according to plan. Were this not true, diet, exercise and dental hygiene would be much easier for all of us. There is nothing remarkable about the observation that we do not always live up to our plan.

In many circumstances, however, individuals are unaware that their actions were inconsistent with their espoused theory of action. For example, a mother describes herself as "completely hands off" vis-à-vis her daughter's wedding, but is actually (according to those around her) quite domineering. A boss says, "my door is always open" but tends to brush aside complaints. A colleague says, "I am *not* shouting" even as his voice gets louder and louder. Similarly, a student receiving feedback about her performance in a negotiation may espouse being open to constructive criticism, welcoming the feedback, and learning from it. In practice, however, she may shut down, withdraw, or otherwise defend herself when confronted with errors or ways to improve.

Argyris explains this phenomenon by suggesting that individuals have *two* theories of action: espoused theories and theories-in-use. Our espoused

2. CHRIS ARGYRIS, KNOWLEDGE FOR ACTION 50-51 (1993) [hereinafter ARGYRIS, KNOWLEDGE FOR ACTION].

theories are how we explain our own behavior—how we *believe* we act. Our theories-in-use are the implicit, sometimes hidden theories and rules that actually guide that behavior.

Argyris's insight is that our actions in those inconsistent moments are neither random nor unskilled. Instead, we are *highly* skilled at those moments—skilled in operationalizing a second theory of action—our theory-in-use. The student receiving feedback is acting defensively for a reason. Her defensive actions are the result of a theory of action in her head that is quite sophisticated and quite different from the one she espouses. She is governed by a complex set of assumptions, rules, and norms. She is just unaware of them.

III. MODEL I AND MODEL II BEHAVIOR

Based on his studies of thousands of individuals from varied backgrounds, ethnicities, class groups, genders, and nations, Argyris claims that although "espoused theories vary widely, research indicates that there is almost no variance in theory-in-use."[3] "The behavior of individuals varied widely, but the theory they used to design and implement behavior did not vary."[4] He labels the dominant theory-in-use employed by almost all of us, almost all the time, as "Model I behavior."[5]

According to Argyris, Model I behavior is governed by four principles or values: (1) achieve the intended purpose, (2) maximize winning and minimize losing, (3) suppress negative feelings, and (4) emphasize rationality.[6] The devilish part is that we often *do not* espouse these values. Indeed, we may espouse shared responsibility, collaboration, joint gains, and expressing emotion. Unfortunately, actual observation of most individuals in high-stakes, threatening situations will usually reveal Model I behavior.

The underlying gist of Model I behavior is unilateral control. Model I behavior values express themselves through behaviors that help an individual maintain her or his control. These include "making unillustrated attributions and evaluations, advocating courses of action in ways that discourage inquiry, treating one's own views as obviously correct, [and] making covert attributions, evaluations, and face-saving moves such as leaving potentially embarrassing facts unstated."[7] A senior account manager tells a younger colleague on their way out of a negotiation that produced no deal, "You have

3. ARGYRIS ET AL., ACTION SCIENCE, *supra* note 1, at 88-89.
4. ARGYRIS, KNOWLEDGE FOR ACTION, *supra* note 2, at 51.
5. ARGYRIS ET AL., ACTION SCIENCE, *supra* note 1, at 88-89.
6. *Id.* at 92.
7. *Id.* at 89.

to play hardball with these guys. I know them, and they're constantly looking for a way to take advantage of others. That's why I had to make the threat. Their reaction just shows that I was onto something." The manager's negotiation strategy assured him of control in the negotiation and in the post-mortem review with his younger colleague. Furthermore—and most interestingly—the manager's account of the situation after the fact uses evaluative judgment, attribution, and advocacy to maintain a "minimum acceptable level of being in control [or] winning."[8] How likely is it that the younger colleague will offer observations about the interaction that are inconsistent with the manager's description? How likely is the manager to learn from the experience? Model I behavior is implicitly designed to maintain control, and in doing so, it often produces "defensiveness, misunderstanding, and self-fulfilling and self-sealing processes."[9]

The foundations of Argyris's Model II theory of action are not controversial. Indeed, they appear in the espoused theories of many practitioners. To see a Model II theory-in-use, however, is rare. The principles of Model II behavior include the following: (1) valid or validatable information, (2) free and informed choice, and (3) internal commitment to the choice and to monitoring its implementation.[10] Model II, therefore, combines advocacy and inquiry. It links evaluations and attributions to observable data. It invites disconfirming data, welcomes public testing, and minimizes unilateral face-saving. The manager described above may have, with the younger associate, an opportunity to collect important perspectives on what took place in the room. The manager might discover information that would disconfirm (or confirm) foundational assumptions. The manager might break the chain of self-fulfilling, error-escalating processes.[11] Unfortunately, absent a commitment to a Model II approach to the interaction with the junior colleague, and the skills to operationalize that commitment, the likelihood of such learning is low.

IV. DOUBLE-LOOP LEARNING

Could I be a better negotiator? Virtually all of us would acknowledge that we have the potential to improve when it comes to negotiation. Although most of us would acknowledge the importance of continued learning, most of us also fail to appreciate how *bad* we are at learning.

Argyris offers an explanation of our consistent failure to learn as much as

8. ARGYRIS, KNOWLEDGE FOR ACTION, *supra* note 2, at 52.

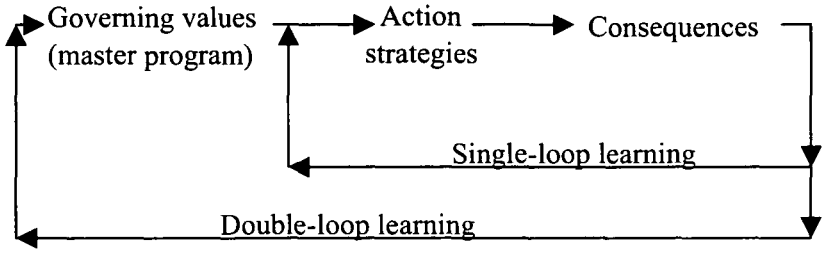
9. *Id.*

10. ARGYRIS ET AL., ACTION SCIENCE, *supra* note 1, at 98-102.

11. *See* CHRIS ARGYRIS, FLAWED ADVICE AND THE MANAGEMENT TRAP 52-81 (2000).

we might, pointing to the relationship between theories-in-use and substantive results. Argyris suggests that many highly functional and effective problem solvers employ a dysfunctional mechanism for learning from their experiences.[12] We adopt certain action strategies, and those action strategies lead to results we either favor or disfavor according to pre-established criteria. If we get results we like, we maintain the action strategy. Otherwise, we consider small adjustments to our action strategy, thinking that those adjustments will produce better results. Argyris labels this a "single-loop" learning process. (See chart below.)[13]

Single-Loop and Double-Loop Learning



By contrast, double-loop learning involves the re-examination of the foundational variables that led us to choose the action strategy in question. Rather than treat the question of learning as a discrete problem to be solved (Should I have made that offer at that time?), double-loop learning treats learning as a larger enterprise of critical examination. What assumptions was I making about the bargaining process that made me think this was the best approach? What led me to those assumptions? Are they accurate? Are they testable? "[D]ouble-loop learning is not simply a function of how people feel. It is a reflection of how they think—that is, the cognitive rules or reasoning they use to design and implement their actions."[14] Sustained, productive learning and corresponding behavioral change is the promise of double-loop learning.

Double-loop learning is not easy, however, and it is not typical. Individuals and groups are masterful at defending against real examination

12. Chris Argyris, *Teaching Smart People How to Learn*, HARV. BUS. REV., May-June 1991, at 99-109.

13. This chart is taken from ARGYRIS, KNOWLEDGE FOR ACTION, *supra* note 2, at 50.

14. Argyris, *supra* note 12, at 100.

and testing of underlying values, assumptions, and beliefs. As the gap between our espoused theories and our theories-in-use becomes visible, we tend to run from, rather than embrace, learning about it. Model I, after all, is about control—and examining its fundamental assumptions requires giving up our understandings of control. This poses true challenges for anyone—including negotiation instructors—hoping to help others with sustainable behavioral change.

V. CONCLUSION

The insights of Argyris are important to three overlapping groups concerned with negotiation: students, theorists, and practitioners. Argyris's writings have not targeted negotiators as a specific audience, but one can imagine the advice he might offer. First, to the students of negotiation, he would suggest that his learning models would produce a more sustained, productive model of inquiry and improvement than traditional, defensive routines. Second, to negotiation scholars, Argyris would point to the significant gap between espoused theories and theories-in-use as a fundamental challenge to those aiming to improve negotiation behavior through the promulgation of negotiation theory. Third, to practitioners of negotiation, he would point to the importance (and difficulty) of creating "conditions in which [Model II] values are realized."[15] To all three groups, Argyris would also surely acknowledge the substantial challenge involved.

In an effort to demonstrate our own willingness to learn, of course, we are eager to hear others' perceptions of the potential contributions and limitations of Argyris's work in the context of negotiation. We offer these thoughts as a preliminary invitation.

15. ARGYRIS ET AL., ACTION SCIENCE, *supra* note 1, at 98.