

Introduction to negotiation



The role of negotiation in our lives

- We negotiate all the time!
 - with parents, friends, colleagues, superiors....
- So it is beneficial to have knowledge on how to negotiate
 - Often we do not realise that we are in a potentially negotiable situation
 - Often we realise it but we do not do it because we do not feel comfortable about it , or we do it badly and regret doing it
- So we often lose the chance of solving our difficulties , or reaching our goals the best way

The role of negotiation in our lives

- But it is not easy to negotiate well: negotiating well is a combination of art and science (Raiffa, 1982)
- **Art:** interpersonal skills, communication, emotional intelligence
- **Science** : systematic analysis of the situation + planning towards the resolution of problems
- We can do it well technically – good offers, careful concessions - but lose it in the interpersonal component (mistrust, stereotyping, wish to give a good impression) → **learning by doing**

The effect of socio-economic context of structuring of the O' and its tasks

- **Socio-economic context:**

- Global competition → quick adaptation needed (ICT's speed the process)

- Services society

- tasks refer to ideas people

- greater information complexity and

- greater number of unstructured problems for which

the action strategies are not predefined– need improvisation/adaptation

CONFLICTS MORE PROBABLE

→ For this there is a need for more qualified staff, hence

→ greater flexibility in their management → They need more autonomy, work in teams, cooperate with other departments and other organisations

Coordination of work: authority vs negotiation

- Most of today's organisations, as to perform well their tasks, need a more loosely coupled (less hierarchical, less formal) structure
 - Much work is carried out among colleagues with no direct authority over each other, and who may not even share a common boss
- In these contexts **coordination through pre-defined rules and hierarchical authority does not work well :**
 - it demotivates leading to lower performance
 - hierarchical superior often is ignorant on the task of subordinate and unable to control them (due to specialisation and /or the autonomy they need to perform tasks)
 - **Coordination through negotiation → BETTER, but**
 - **Increase costs - time , energy And everyone must have negotiation skills**

Definitions of negotiation

- “negotiation is a formal process occurring when two sides try to reach a mutually acceptable solution for a **complex conflict** “ (Essentials, p.3)

Definitions of negotiation

- A process through which two or more sides try to reach an agreement that is mutually acceptable in relation to an issue in which both **apparently disagree**” (Gordon, 1993, p.407)
- [again the importance of good perception and good communication skills]

Definitions of negotiation

- “Negotiation is a basis means of **getting what you want from others**. It is **back and forth communication** designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed (Fisher and Urry , 1983)

Definitions of negotiation

- “a **joint decision** by two or more sides that do not have the same interests” (Bazerman e Lewicki, 83, in Grandori, p. 156)
- **Note:** when a decision is taken together is more probably accepted and implemented than an unilateral decision - high cost for getting to the decision but lower costs for implementation → that is why public participation in the political process is defended

Characteristics of a situation of negotiation

- 1- there are two or more sides involved (people, groups , O's countries)
- 2 – they have some degree of **interdependence** (need each other to reach goals)
- 3- there is a conflict of interests/objectives among the sided but there is an expectation of reaching an agreement

Characteristics of a situation of negotiation

- 4) There is negotiation when there are not rules/procedures defined to solve a conflict or when the parts prefer to solved it outside/in the margin of the existent system of rules/procedures and create their own solution (maybe because they think it will be a better solution, less costly, will not damage as much the relation between the parts , etc)

Characteristics of a situation of negotiation

- 5) There is the perception that the agreement after negotiating is better than open conflict or than the existing situation between the parts
- 6) There is expectation that both sides will make concessions to original demands and together will reach a solution that benefits both (even if that will be difficult)

Characteristics of a situation of negotiation

- 7) There can also be a possibility to avoid making concessions and reach a compromise, and instead reach a creative solution
- 8) the process of negotiating involves the management of material and political issues as well as social/psychological
 - What maybe at stake is not the negotiation in itself (e.g. the price of the car, the deadline to hand in a project, the salary)
 - but the effect of such negotiation
 - For instance the status/position of the individual/group within the O', the position relative to others in the marketplace, self esteem, image , the fear of setting a precedent

Strategies for negotiation : integrative vs distributive

- The structure of the problem :
 - If the problem has one or more dimensions that will affect the choice of strategy- is it possible to find complementary interests?

A problem/issue at stake with just one dimension
→ implies a **distributive** structure

Problem with just one dimension → **distributive** structure

- When the problem has just one dimension
 - Other dimensions were not desired/looked upon
 - Other dimensions were not found

It is a competitive situation, *win-lose*, zero-sum = there is a negative correlation between the objectives of both parts → **distributive negotiation**

- Price of the car; who gets the parents' car over the weekend; vacation days; work shift

Problem with more than one dimension → integrative structure

- It allows for the integration/compatibility of the interests/goals of each part
- It can be a *win-win*, positive sum negotiation=
 - It is possible to find a positive correlation among the objectives of both parts → **integrative negotiation**
 - Ex: theme of work project; contract for a joint venture; work contract

An integrative negotiation is only possible when :

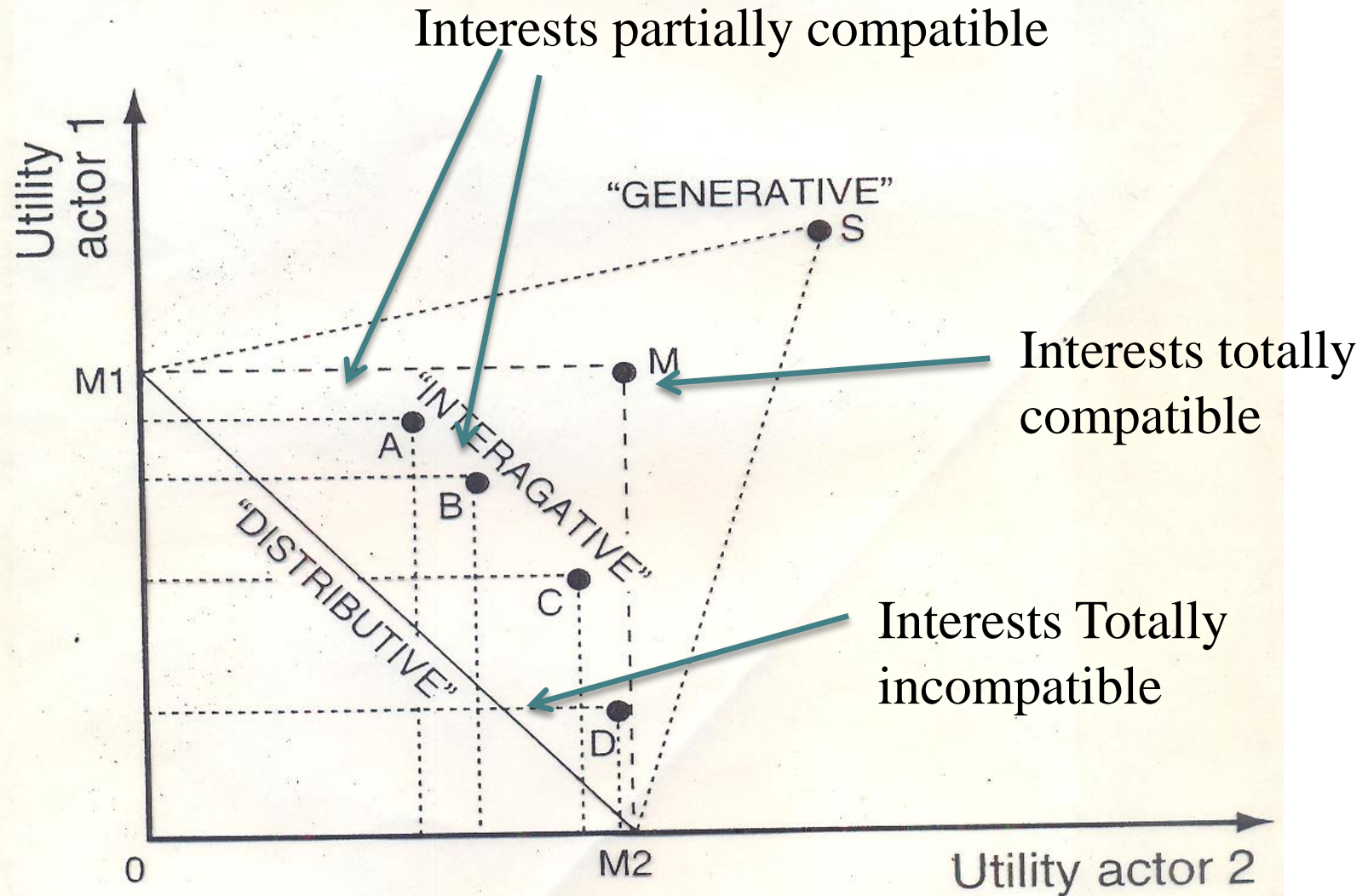
- The negotiation emphasises the interests and not the positions of each part (Fisher e Ury, 90)
 - It only works when both parts are less worried about their departing position than in their underlying interests
- as emphasis on the position leads to :
 - Rigidity
 - Mutual attacks
 - **AND IMPROBABLE** or a bad **AGREEMENT**

A negotiation that emphasises interests

- Allows the transformation of a negotiation from zero sum to positive sum
- By working side to side on the focus of their interests it is possible to reach a creative (solution superior to a simple compromise)
 - Ex : Focus on WHY an employee wants a raise rather than the amount of the raise



Problems with varied dimensions : complementarity levels of these inter



Problems with varied dimensions : complementarity levels of these interests

1. Interests fully compatible – **M**
 1. **Sisters: the pulp vs the peel**
2. Interests totally incompatible – **line M1-M2**
 1. **Sisters : both want one orange (or both want the pulp or the peel)**
3. Interests partially incompatibles (the gains of one part do not represent identical loss in the other part; One part forgoes something that is not so important .
Trade offs; compensate)– A,B,C,D
 1. **such as in work contract – having car, health insurance , work mobility , contract flexibility, payment , extras**

(Grandori, 2001, p. 164)

Creative / amplifying negotiation

- Cooperation among the parts bring to the creation of value/synergies – **S**
(rather than dividing a share of fixed pie size the pie is expanded due the creativity , good will of both sides) –
Calls for **bridge solutions** – often need to reformulate the problem and think of original solutions (may need group technique such as brainstorming, surveys , or other)

Strategies of negotiation

The choice of the strategy is reflected in two simple question :

1. What is the interest of the actor in reaching the results/objective of this negotiation?
2. What is the interest of the actor in the quality of the relation – present and future – with the other part ? ?

Is the substantive result important ?

Is the
relational
result
important
?

	YES	NO
Y E S	colaboration	acomodation
N O	competition	Inaction

Which strategy to follow?

- The strategy depends on the relevance attributes to each of these dimensions :
 - a) if the negotiation is to be won at any cost –
competition-
win lose strategy (I win you lose)
 - b) If the relation is to be maintained at any cost -
accommodation
win lose strategy (I lose you win)
primary goal is to strengthen the relationship; get credits for later...

Which strategy to follow?

- c) If both the result of the negotiation as well as the relation with the other part are important – **collaboration – win win strategy**
- d) If the result of the negotiation is not that important and if the relationship is not important either the negotiation is **avoided**
- **Not worth the time or effort**
 - **Relationship may so poor that is not even worth asking for anything**
 - **One may have a better alternative**

Which strategy to follow?

- Compromise can be the worst enemy in win – win (integrative) negotiation
- It reduces the pressure to negotiate in an integrative way , and people end up settling for less than they could have obtained - they do not sufficiently explore both interests, trade-off issues and be creative

Criteria for evaluating a negotiation

(Fisher e Ury, 90)

- It should produce an agreement that benefits both sides
- It should be efficient – to use the least resources possible , money , time, energy ..)
- It should improve, or at least not deteriorate the relationship among the parts

Negotiation essay - 1st step

- Group work
- Global essay - max 5 pps
- 1st step - Research for print and /or online newspapers or other credible sources for a conflict that is being negotiated (or was negotiated in the past)
 - This negotiation should have good/complete information and publicly available
- By the 11th may e-mail me the topic/situations of negotiation – explain in 2 /3 lines
- No two situations can be equal- the first group choosing a negotiation situation will get it

Negotiation home work -step 2

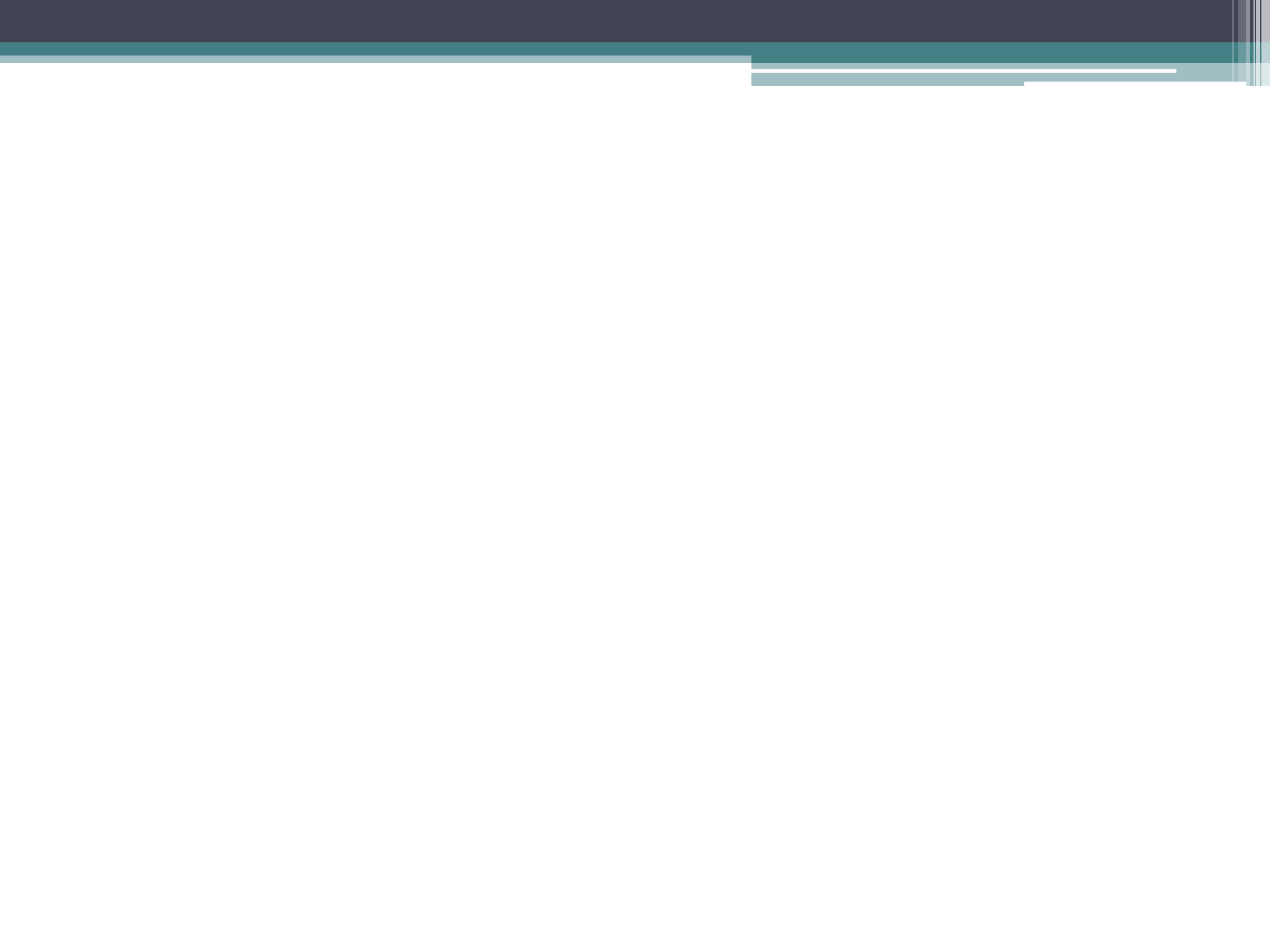
- Did the problem have one or more dimensions (were they able to find complementary interests)?
- Were they able to reach a integrative solution based on a competitive problem?
- What was the strategy followed : Collaboration, competition, inaction/avoidance, accommodation?

Negotiation home work-step 2

- Was an agreement reached?
- What was the agreement ?
- Was this agreement better than the initial situation they departed from?
- Did this agreement benefit both sides?
- Was the relationship between both parts improved or at least not deteriorated?

Negotiation essay

- Due may 21st – in print
- Oral presentation- may 21st





-Calvin: What do you think it is the best way to achieve what we want? To be firm, and do not ever vacillate/hesitate, or to negotiate?

-Hobbes: I suppose that it is better to be firm when one can, and negotiate when one needs

Calvin: well, that is much more mature than what I ever plan to be