

Session 1

Fundamentals of Negotiation

Everyone Negotiates

- Buying a car, house or other object for which the price may not be fixed
- Establishing a salary, workplace tasks, office conditions, etc.
- Organizing team tasks or priorities
- Allocating household tasks
- Deciding how to spend a free evening

What Makes a Good Negotiator?

- Enthusiasm
 - Confidence
 - Engaged
 - Motivated
- Recognition
 - Accomplishment
- Integrity
 - No trickery
 - Trustworthiness
- Social Skills
 - Enjoy people
 - Interest in others
- Teamwork
 - Better as a team
 - Self-control
- Creativity
 - Always looking for ways to complete the deal
 - Versatile/Flexible

Best Negotiators

- Our children are among the best negotiators because they intuitively understand that:
 - Negotiation is knowing and caring about what you want!

Everyone Encounters Conflict

- The question is how does one respond to conflict?
 - What are your options to resolve disputes (problem-solving/creative solutions)?
 - Do you have a strategy?

Definitions of Conflict

- “Two or more parties believe they have incompatible objectives” (Kriesberg,1982)
- “Conflict is a belief or understanding that ones’ own needs, interests, wants or values are incompatible with someone else’s” (Bernard Mayer 2000)

Primary Levels of Conflict within Organizations

- Intrapersonal (within an individual)
- Interpersonal (between individuals)
- Intragroup (within a group)
- Intergroup (between groups)

Causes of Conflict

- Conflict of aims- different goals
- Conflict of ideas- different interpretations
- Conflict of attitudes - different opinions
- Conflict of behavior- different behaviors are unacceptable

Stages of Conflict

- Conflict arises
- Positions are stated and hardened
- Actions, putting into action their chosen plan
- Resolution???

Views on Conflict

- Traditional view: Conflict should be avoided; because it is bad.
- Human relations view: Conflict is natural; and, it is sometimes good and sometimes bad.
- Interactionist view: Conflict is inevitable; and, it is necessary for healthy development.

Conflict Resolution Options

- Managing conflict is using it for positive, constructive outcomes.
- Resolving conflict is getting rid of it.
- Avoiding conflict is doing nothing—at the moment. Avoiding conflict may be managing it:
 - If the conflict is constructive, letting it function may be a sound strategy.
 - If the time for intervention is wrong, temporarily avoiding may be a sound strategy.

Conflict Resolution Options

- Conciliation: neutral 3rd party assists disputants by acting as go-between
- Arbitration: neutral 3rd party acts as judge
- Mediation: neutral 3rd party assists parties in their own negotiations
- Facilitation: neutral 3rd party assists in group discussions
- **Negotiation**: parties confer to arrive at mutually satisfactory solution

Why Should Negotiation Be a Core Management Competency?

- Dynamic nature of business
- Interdependence
- Competition
- Information age
- Globalization

Negotiation Styles

- Competition (win-lose)
- Collaboration (win-win)
- Compromise (split the difference)
- Accommodation (lose to win)
- Avoidance (lose-lose)

Competition

- The goals of the parties are short term.
- The parties' goals are incompatible.
- The tangible benefits are the most important.
- You expect the other party to be competitive.

When Competing Is Appropriate

- There is an emergency and you are in a position to save yourself and others.
- You possess special knowledge or authority.
- There are no other options and you cannot be hurt by the other party.

Collaboration

- Developing and maintaining a relationship is important.
- Both parties are willing to understand the other party's needs and objectives.
- Finding a long lasting, creative solution is required.

When Collaborating Is Appropriate

ALMOST ALWAYS

Compromise

- Parties are short of time or resources to get collaboration.
- A temporary settlement to a complex issue is needed.
- Issues are not worth the effort of a collaboration, but relationships are important.

Accommodation

- The relationship is more important than the outcome.
- Building goodwill is an important outcome.
- We want the other party to accommodate us in the future.

Avoidance

- Neither outcomes of negotiations are important.
- The costs of the negotiations outweigh the gains of a deal.

When Avoiding Is Appropriate

- Tempers are HOT.
- Critical information is lacking.
- There is inadequate time at the moment to address the matter effectively.
- The matter in dispute is unimportant.
- The relationship is much more important than the matter in dispute.

What Style Creates

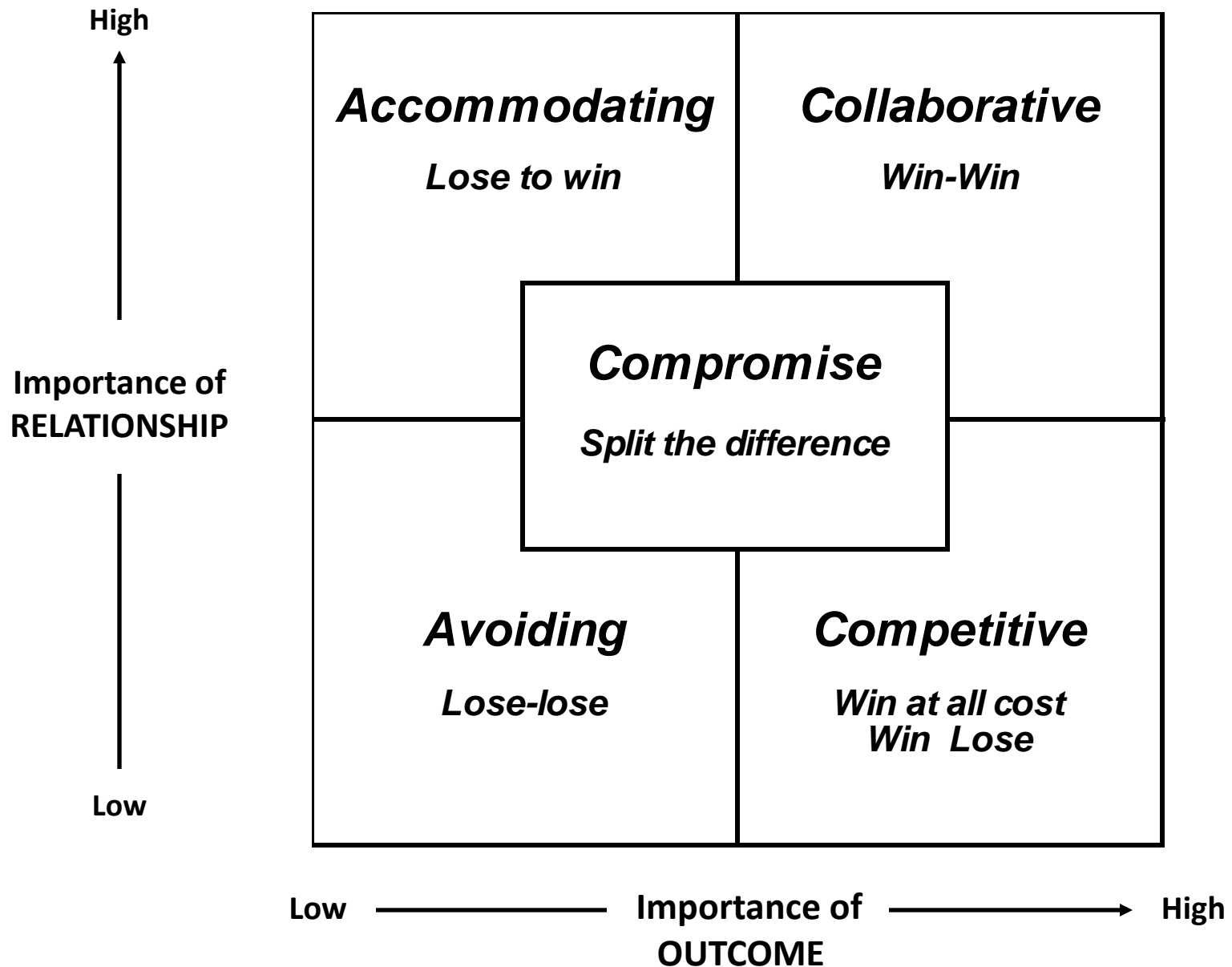
- Avoiding may sustain positive outcomes but permits escalating negative outcomes.
- Competing creates a win/lose game.
- Compromising gives up something.
- Collaborating creates win/win.

What Style and When?

- Two important factors:

The outcome – what you might lose or win

The relationship – how will your relationship with the players be effected



Conventional Negotiation

- Focus on winning
- Assert positions/personal preferences
- Concede stubbornly
- Seek compromises based on arbitrary divisions (e.g. split the difference)
- Engage in threats, bluffs or other negotiation tactics

Conventional Negotiation Tactics

- Good cop/bad cop
 - Bad cop threatens first, good cop persuades later
- Highball/lowball
 - Starts negotiating with ridiculous high/low offer
- Bluff
 - Negotiate exaggeratedly
- Nibble
 - Suddenly ask for small concession just before closing the deal

Distributive Versus Integrative Negotiation

- Distributive negotiation is slicing the pie: presumes limited resources and limited options. Distributing is competitive.
- Integrative negotiation is expanding the pie: seeks resources and solutions. Integrating is collaborative.

Analyzing Your Self-Assessment

- One consistent style across all persons and situations may reflect habit rather than appropriate choice of style.
- Differing styles among persons and situations may reflect appropriate choice of style or differing needs and goals.

The Contingency Approach

- Choice of negotiation style impacted by many factors including context, situation, facts, and people involved.
- Intelligent diagnosis and assessment are necessary for making an effective choice.

Be Flexible

- A contingency approach means being flexible.
- Expect the unexpected.
- Know how to adapt to changes in the mix.
- Know how your personality affects your flexibility.

Judgers typically find adaptability more difficult than do perceivers.