The Nature of Negotiation

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Contents

Please Read Me

- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (Lewicki, Barry, and Saunders 2016, chap. 1)

Purpose

Understand the definition of negotiation, the elements in general of this process and the main types of negotiation that have been identified in the literature as well as the relationship between negotiation and conflict management.

Definition of negotiation

- Definition of negotiation that is going to be adopted in the course:
  - " *a form of **decision making** in which two or more parties talk with one another in an effort to **resolve their opposing interests**.*" (Lewicki, Barry, and Saunders 2016, chap. 1, p 3)
  - Also check out in the **Links of interest** the video
    - *How to negotiate properly?*[1] (Magic Markers 2018)

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[1]The video is in spanish

Elements of negotiation situations

- 6 characteristics are mentioned in (Lewicki, Barry, and Saunders 2016, chap. 1, p 6-9)
    - Element 1 assumes that in a negotiation there are two or more parties involved (people, groups or organizations).
    - Elements 2, 3, 4 and 5 implies that there exist **interdependence** between the parties involved[2]:
        - Parties depend on each other to achieve their own preferred outcome (Lewicki, Barry, and Saunders 2016, chap. 1, p 10)
    - Element 6 considers that there are tangible and intangible aspects:
        - **Tangibles**: aspects of which it is sought to reach an agreement within the negotiation (prices, terms of a contract, product specifications).
        - **Intangibles**: psychological motivations implicit in a negotiation (personal values and emotions of the parties involved).

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[2]Dear student if you don't need to jointly agree with other parties to achieve your goals please don't negotiate with them. Use another form of **decision making process**!

Interdependence

- The type of interdependence that occurs between the parties affects the dynamics and the results of a negotiation:
  - **Zero-sum or distributive situation**: for one party to obtain a profit, it is necessary for another party to obtain a loss.
  - **Non-zero-sum or integrative situation**: there exists the ***possibility*** that all parties involved can obtain a profit without a party obtaining a loss.
- The alternatives shape the interdependence where one way to analyze the alternatives is through the concept of:
  - **Best Alternative to a Negotiated Agreement (BATAN)**[3]

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[3]For more details check out (Program of Negotiation 2012)

Interdependence

- Because the parties are interdependent during a negotiation there is a process called **mutual adjustment** where the parties try to influence one another to reach an acceptable agreement.
  - At the beginning each party proposes an initial level on the tangible aspects of negotiation.
  - Then there are replicas and concessions where the **bargaining range** tends to be reduced.
  - If the **bargaining range** is reduced enough to become a point, an agreement is reached.

Approaches and tactics to negotiation

- **Distributive Negotiation Approach**: it is conceived that there is only one winner in a particular situation and a course of action is sought to be the winner.
  - Tactic: **claim value**[4] by doing whatever is necessary to claim the reward or gain the largest piece possible (Lewicki, Barry, and Saunders 2016, chap. 1, p 16)
- **Integrative Negotiation Approach**: attempts are made to find solutions so that both parties feel satisfied and reach their goals.
  - Tactic: **create value**[5] by finding the way for the parties involved to achieve their objectives by obtaining more resources
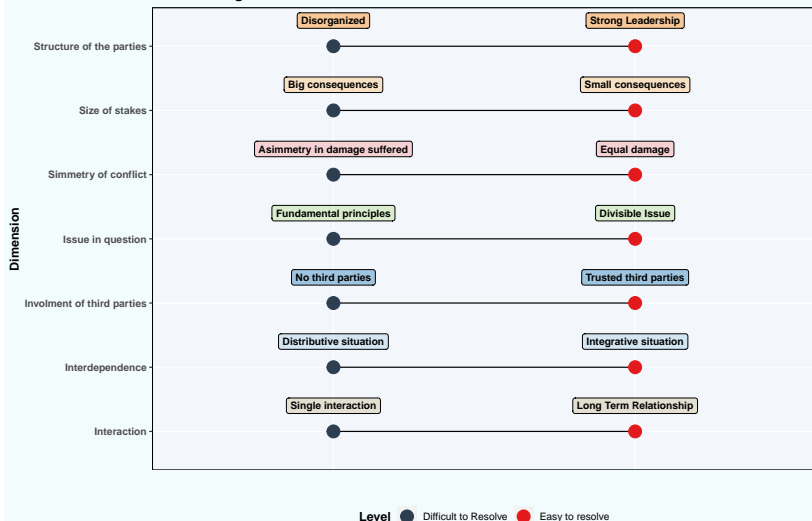
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[4]For more details check out (Spangler 2003)
[5]For more details check out (Spangler 2003)

Conflict

- For definitions of **conflict** please check out (Lewicki, Barry, and Saunders 2016, chap. 1, p 18)
  - 3 different definitions that are related are mentioned
- For the different levels of **conflict** please check out (Lewicki, Barry, and Saunders 2016, chap. 1, p 19)
  - 4 levels on conflict are mentioned
  - We will not cover the first one in the course:
    - *Intrapersonal or intrapsychic conflict*
- For dysfunctions and functions of **conflict** please check out (Lewicki, Barry, and Saunders 2016, chap. 1, p 19-21)
  - Dysfunctions: negative aspects of conflict
  - Functions: productive aspects of conflict

Conflict

Conflict Diagnostic Model

Dimension	Difficult to Resolve	Easy to resolve
Structure of the parties	Disorganized	Strong Leadership
Size of stakes	Big consequences	Small consequences
Simmetry of conflict	Asimmetry in damage suffered	Equal damage
Issue in question	Fundamental principles	Divisible Issue
Involment of third parties	No third parties	Trusted third parties
Interdependence	Distributive situation	Integrative situation
Interaction	Single interaction	Long Term Relationship

Level ● Difficult to Resolve ● Easy to resolve

Source: (Lewicki, Barry, and Saunders 2016, Chapter 1, p 22)

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