

Ethics in Negotiation

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2020-10-31

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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, Chapter 5)

Purpose

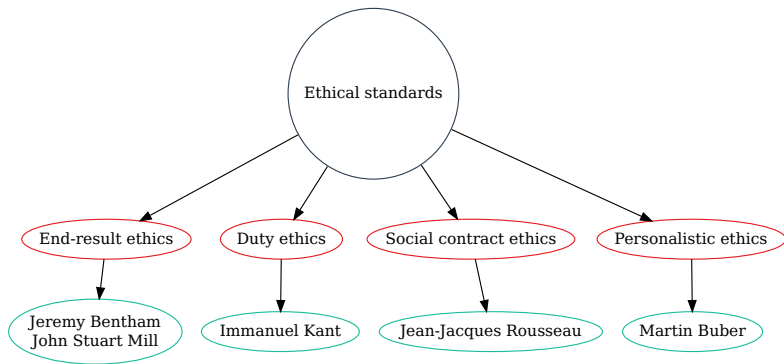
Explore and understand the ethical standards commonly accepted in a negotiation process in order to detect and deal with deceptive tactics.

Ethics and its relationship with negotiation

- Ethics is understood as the social standards that are applied to examine what is right or wrong in a specific situation or a process to establish such standards (Lewicki, Barry, and Saunders 2016, Chapter 5, p 116).
- The ethical considerations in a negotiation are related to how the exchange of information occurs (Lewicki and Robinson 1998).
 - Because the exchange of information in the negotiation process is vital, the analysis of ethics is associated with examining whether or not there is a dishonest communication.

Ethics and its relationship with negotiation

- To evaluate how ethical the strategies and tactics are in a negotiation, 4 standards can be used (Lewicki, Barry, and Saunders 2016, Chapter 5, p 118):



Ethically ambiguous tactics

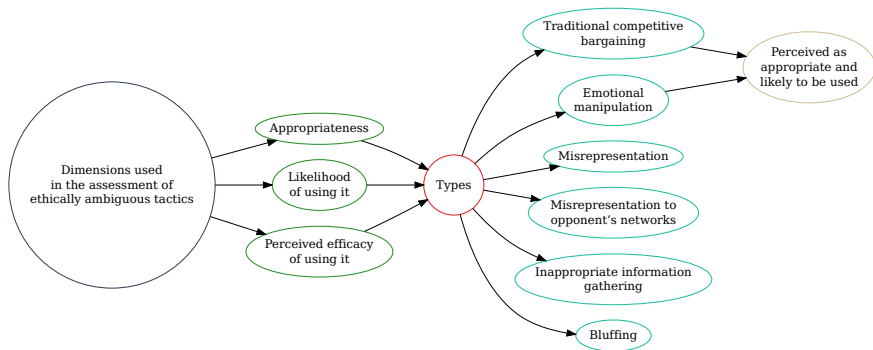
- There are tactics that are not ethical and that can be quickly identified, such as stealing confidential data from the counterpart.
 - These types of tactics must be removed from the negotiator's toolbox.
- However, in the context of negotiation there are gray areas. These gray areas are known as ethically ambiguous tactics within the theory of negotiation.
 - These tactics are related to what the negotiators say or what they claim they will do concerning what they really do.

Ethically ambiguous tactics

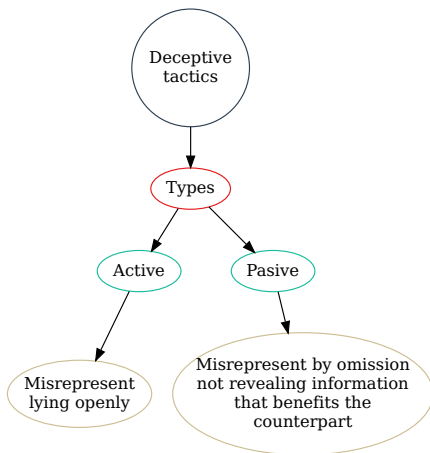
- Gray areas within a negotiating context regarding ethically ambiguous tactics are presented due to the 2 dilemmas a negotiator faces:
 - Dilemma of honesty
 - How much truth should be revealed to the counterpart?
 - Dilemma of trust
 - How much should a negotiator believe what the counterpart says?

Ethically ambiguous tactics

- Types of ethically ambiguous tactics



Motives and consequences of using deceptive tactics

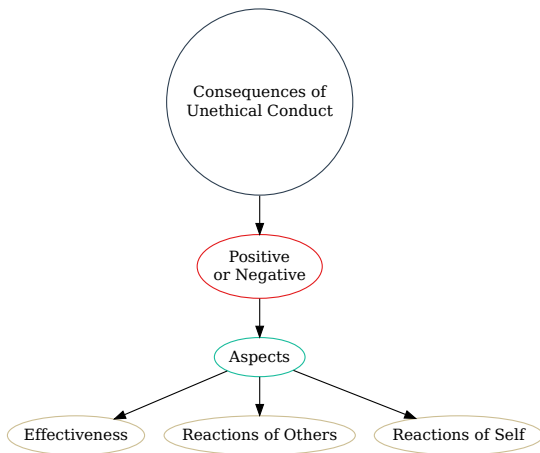


Motives and consequences of using deceptive tactics

- Why do negotiators use deceptive tactics in the context of a negotiation?
 - Need to acquire greater power through the manipulation of information to get closer to the target point
 - Use of a more competitive negotiation style¹

¹This aspect generates a greater probability of using this type of tactics

Motives and consequences of using deceptive tactics



Motives and consequences of using deceptive tactics

- **Effectiveness**

- Deceptive tactics generate **positive consequences** when the outcome of the negotiation improves compared to whether a negotiator had acted ethically and if the conduct is not punished where the consequences materialize in the short run.
- Deceptive tactics generate **negative consequences** because the reputation of the negotiator is damaged where the consequences materialize in the future.

Motives and consequences of using deceptive tactics

● Reactions of Others

- Deceptive tactics generate **positive consequences** only if constituents, indirect actors or interest observers considered appropriate to use this type of tactics².
- Deceptive tactics generate **negative consequences** because retaliations occur directly from the counterpart and possibly from the constituents, indirect actors or interest observers if they consider that the tactic used is inappropriate³.

²This is my own personal opinion and it is not mentioned in (Lewicki, Barry, and Saunders 2016, Chapter 5)

³As a personal opinion in the case of the indirect actors or interest observers the retaliation is materialize through a social sanction.

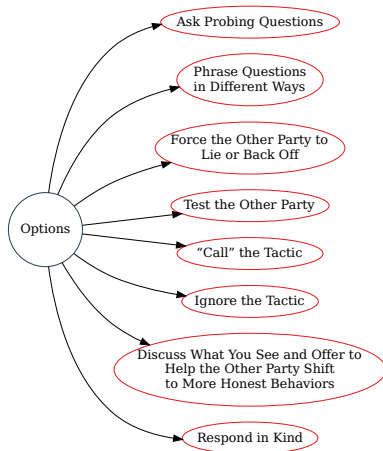
Motives and consequences of using deceptive tactics

● Reactions of Self

- Deceptive tactics generate **positive consequences** only if the negotiator does not suffer from guilt, remorse or discomfort.
- Deceptive tactics generate **negative consequences** when the negotiator suffers from guilt, remorse or discomfort for having used these tactics⁴

⁴This issue directly affects the negotiation since the negotiator is willing to make greater concessions to the counterpart to compensate for using deceptive tactics.

Dealing with the use of deceptive tactics by the counterpart



Dealing with the use of deceptive tactics by the counterpart

- **My personal opinion:**

- Read the article (Adler 2007):
 - Before the Bargaining Begins
 - During the Bargaining Process
- I think the best approach is to follow the recommendations in the section **Before the Bargaining Begins** because they are carried out during the planning stage of a negotiation where there is more time and information that can be collected in order to respond adequately to deceptive tactics.

Acknowledgments

- To my family that supports me
- To the taxpayers of Colombia and the **UMNG students** who pay my salary
- To the **Business Science** and **R4DS Online Learning** communities where I learn **R**
- To the **R Core Team**, the creators of **RStudio IDE** and the authors and maintainers of the packages **tidyverse**, **DiagrammeR** and **tinytex** for allowing me to access these tools without paying for a license
- To the **Linux kernel community** for allowing me the possibility to use some **Linux distributions** as my main **OS** without paying for a license

References

Adler, Robert S. 2007. "Negotiating with Liars." *MIT Sloan Management Review* 48 (4): 69–79.

Lewicki, Roy J., Bruce Barry, and David M. Saunders. 2016. *Essentials of Negotiation*. Sixth Edition. Dubuque: McGraw-Hill Education.

Lewicki, Roy J., and Robert J. Robinson. 1998. "Ethical and Unethical Bargaining Tactics: An Empirical Study." *Journal of Business Ethics* 18 (2): 211–28. <https://doi.org/10.1023/A:1005719122519>.