

The art and science of problem solving negotiation



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Arm Exercise

- Pair up with some
- Get in position as if you were going to arm wrestle with each other
- Score a point every time the back of the others hand touches the desk
- Objective: Get as many points as possible
- You have 30 seconds to do this



Roadmap for the hour

- Deepen our understanding of conflict dynamics in groups
- Identify two dominant models of negotiation
- Explore the limits of these models
- Provide a more effective and efficient alternative model



The chocolate conundrum

Rules:

- No talking
- You want to maximize return for you personally (the others work for another firm)
- You can grab all you can get at the beginning of each round
- If any are left at the end of a round they will double, but:
- The bowl can't hold more than the initial amount
- No punching, eye gouging, etc.

Prisoner's Dilemma Game

Their choice

Your choice

	<i>Cooperate</i>	<i>Compete</i>
<i>Cooperate</i>	You achieve good gains and so do they	You loose big, they win big
<i>Compete</i>	You win big, they loose big	You both loose, but not as much as if one had cooperated



Negotiation Defined

An interaction between two or more interdependent parties designed to achieve each party's goals through processes of mutual influence



Two Negotiation Paradigms

Hard Bargainer:

- Your loss is my gain (zero-sum)
- Objective is to win
- Start high and concede grudgingly
- Don't volunteer information

Soft Bargainer:

- Both sides can always win (find joint gains)
- Objective is to maintain the relationship at all costs
- Be honest and share information



Which approach is best?

The soft bargainer says:

“The world can be a win-win garden.”

The hard bargainer says:

“The world is a zero-sum jungle.”



Answer: Neither!

Effective negotiators manage the tension
between....

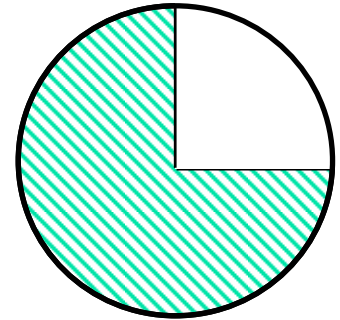
CREATING VALUE

and

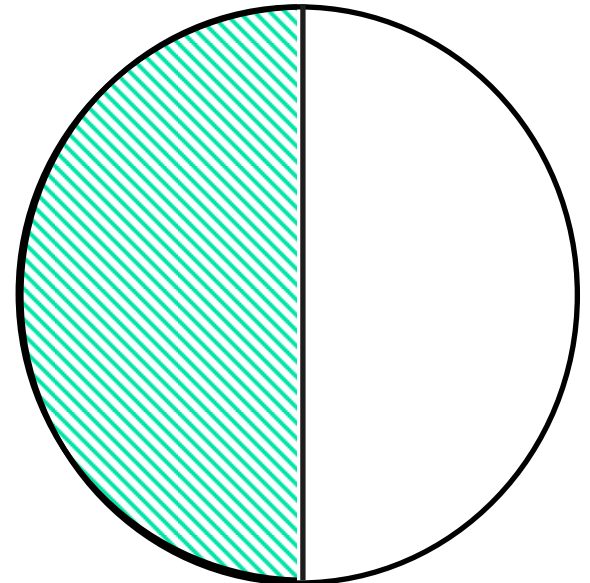
CLAIMING VALUE

The negotiator's dilemma

Fighting for a big piece of a small pie (claiming value)

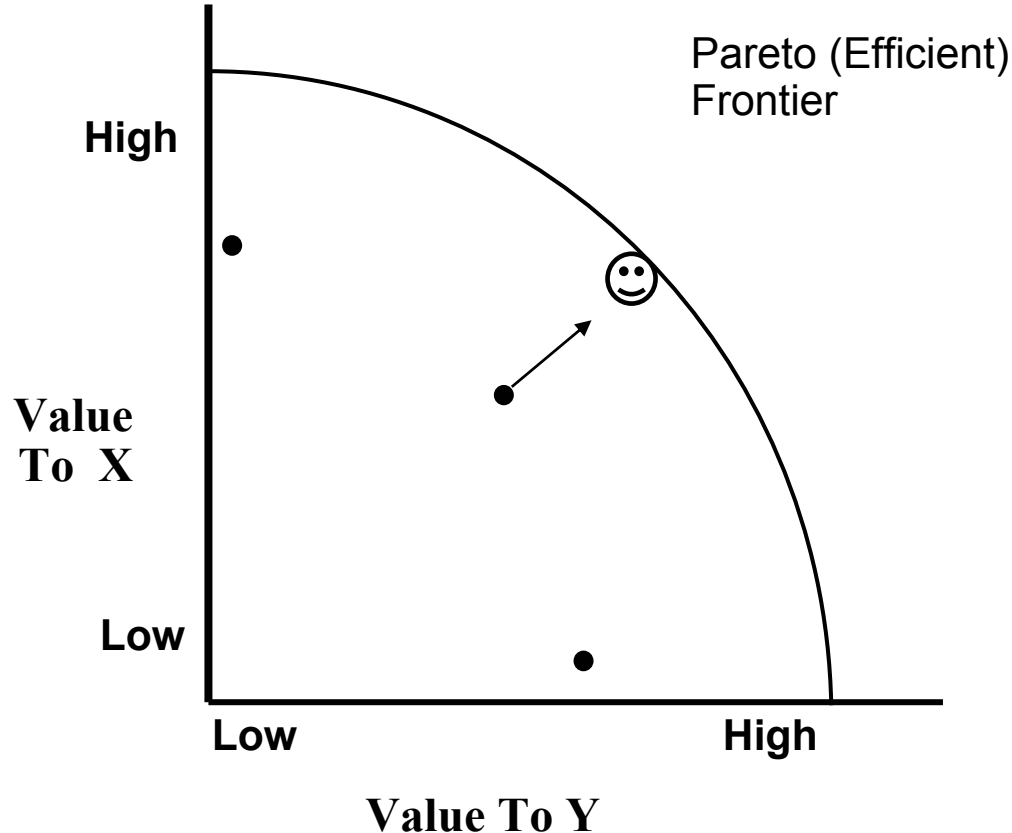


Working to make the pie bigger (creating value)



Managing the negotiator's dilemma

Seek more efficient solutions





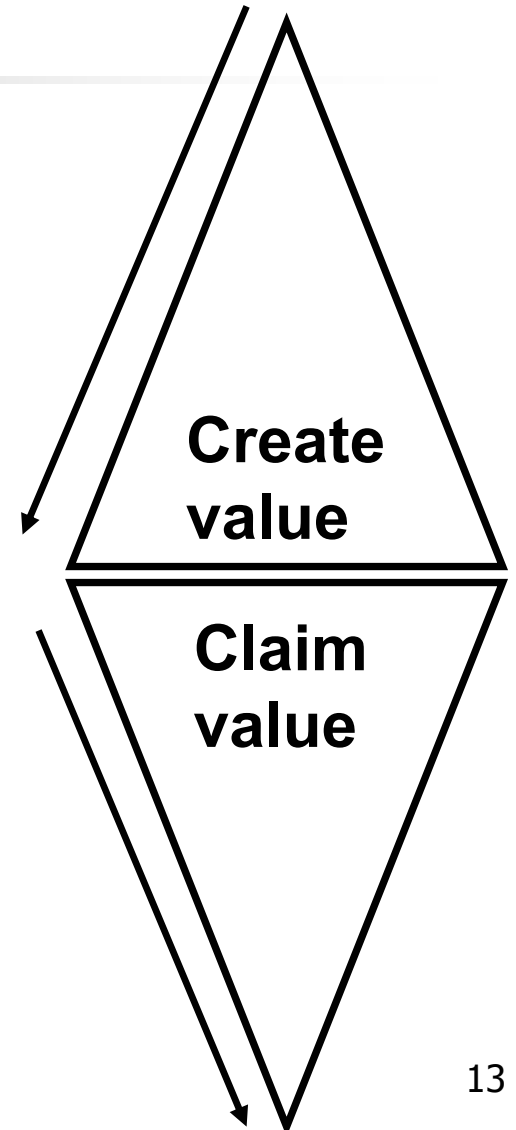
Managing the negotiator's dilemma

Use problem solving negotiation

- BATNA (best alternative to a negotiated agreement)
- Separate People from Problem
- Interests, not Positions
- Brainstorm Options for Mutual Gain
- Invoke Objective Criteria
- Commit Wisely

Problem solving negotiation process

1. Understand context
2. Develop relationship and test assumptions
3. Establish process
4. Explore interests and issues
5. Brainstorm options and consider packaging
6. Determine legitimate criteria
7. Evaluate options
8. Plan implementation
9. Secure agreement



Summary

- Negotiation is a process of mutual influence among interdependent parties
- Don't think in terms of hard/soft
- Manage the negotiator's dilemma effectively
- Use a problem solving approach

