



Introduction

Chapter Objectives

After studying this chapter and completing the exercises, you should be able to:

1. Identify a variety of situations where negotiation takes place.
2. Describe the characteristics of negotiation.
3. Distinguish between interests and issues.
4. Evaluate the role of incentives in negotiation.
5. Understand the importance of being prepared.
6. Identify various types of conflict.

What do you think of when you think of negotiation? Do you think of prominent business people negotiating multimillion dollar business deals or government representatives negotiating international peace agreements? Do you think of police negotiating a successful end to a standoff? Perhaps you think of something more personal like

negotiating the best price possible for an automobile or home or even negotiating the price of something for sale on Craig's List? Whatever situations come to mind, your list likely does not include United Airlines negotiating to remove Dr. Dao from their plane.

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Chapter Scenario

You have likely heard the widely reported story and seen the videos recorded by other passengers on TV or the Internet. On April 9, 2017, a scheduled United Airlines flight from Chicago's O'Hare International Airport to Louisville, Kentucky, was already filled with ticketed passengers, and there were four United Airlines employees without tickets that needed to get to Louisville. United initially offered \$400 vouchers to anyone willing to give up their seat, but no one volunteered. They increased the offer to \$800, but there were still no volunteers. United finally told four people that they were being bumped and would have to get off the plane. Three of the four complied; however, the fourth, Dr. Dao, a 69-year-old physician from Kentucky, did not. When he was told he would have to get off the plane, he said that he was a doctor who needed to see patients in the morning and was not going to get off the plane. An airline employee then summoned security who forcibly removed Dr. Dao from the plane. In the process, Dr. Dao suffered a broken nose and concussion and had two teeth knocked out.¹ Videos of the situation soon went viral, and United's President Oscar Munoz began issuing statements that evolved from initially blaming Dr. Dao to offering repeated apologies and declaring it a "harsh learning experience" over a period of several days.² There was a tremendous amount of negative publicity for United surrounding the incident with calls for passengers to boycott the airline.

The story of Dr. Dao's treatment is one of intense conflict that could have been effectively resolved through negotiation. Similarly, when there is negotiation there is also the possibility of conflict because the parties involved may have different wants and needs. Thus, the two topics are inextricably intertwined. Without a doubt, negotiation and conflict resolution skills are core competencies needed by everyone to be successful. In the workplace, whether you are an employee, manager, executive, or business owner, you will negotiate and resolve disputes virtually every day and in a variety of contexts. You negotiate not only in your professional life, but in your personal life as well.

The good news is that negotiation is a learnable, transferable skill—regardless of what you are negotiating or with whom you are negotiating, the process is the same. Even if you've never been particularly proficient or comfortable negotiating, you can learn. As you practice your negotiating skills, you will become more comfortable with the process. What initially may feel stilted becomes more fluid and natural with practice. Once you learn the process, you can apply it to most any situation, professional or personal. That is the goal of this book: to increase your comfort with and mastery of the negotiation process by providing the necessary conceptual material and giving you numerous opportunities to apply your knowledge and skill in a variety of situations. We will encourage you to view negotiations from the other party's perspective to gain a better understanding of her actual needs. Helping the other party to meet her needs typically helps you to get your needs met and improves the relationship in both professional and personal contexts.

With that we would like to officially welcome you to *Negotiation and Dispute Resolution*. We know that you are likely to put more time and effort into courses you believe are relevant and useful in your life. Thus, throughout the book we use examples and exercises dealing with a wide variety of topics and situations that you are likely to encounter in both the workplace and your personal life. We also hope to make learning about negotiation and conflict resolution enjoyable, even fun. Experienced negotiators and mediators generally enjoy the process. In addition to providing the necessary material to inform the what, how, and why of negotiation and conflict resolution, we provide a wide variety of opportunities to practice applying the concepts. You may never negotiate an international peace agreement, but you will improve your negotiation and conflict resolution skills for use in all areas of your life—and hopefully have a little fun in the process.

WHY STUDY NEGOTIATION?

In their bestselling book, *Freakonomics*,³ Steven Levitt and Stephen Dubner show that incentives are what drive people to do just about everything in life. Remember what we said about students putting more effort into classes they see as relevant and providing useful skills? This is because the students see those classes as providing value to them in the future. It explains why accounting majors typically put more effort into an accounting class than marketing majors, and marketing majors put more effort into a marketing class than accounting majors. A purely economic point of view says that we don't do anything unless there is an incentive.⁴ In other words, we do things because we receive something in return. We go to college because it positions us to get a better job than we could get with a high school diploma. Even when we love our jobs, ultimately we go to work every day because we get paid. On the job, we work hard and put forth extra effort to get promoted or recognized. Throughout our career we engage in continuing education—or at least we should—to keep ourselves marketable. We volunteer because it will look good on our resume or because it helps us feel good about ourselves. So what will you gain by putting time and effort into improving your negotiation and conflict resolution skills? There are a number of things.

Negotiation can be profitable.⁵ Good negotiation skills lead to better deals in everything from your salary⁶ and benefits to anything you purchase or sell. Over your lifetime, the dollar value of financial gains resulting from successful negotiation can be tremendous. When the parties to a negotiation discuss their mutual needs, they often identify more and more creative alternatives to meeting those needs. Thus, better and more profitable solutions for all involved are more likely.

Negotiation can result in a wide variety of positive and negative emotions,⁷ one of the more common of which is anxiety. Research has shown that negotiators who are anxious make lower first offers, expect lower outcomes, and generally end with worse outcomes than negotiators who are more relaxed.⁸ When you are comfortable with the process, negotiation can be liberating. Has anyone ever talked you into doing something that you really didn't want to do? Have you ever bought something only to realize later that it really wasn't what you wanted? Better negotiation skills will make it less likely that you will feel like someone took advantage of you. It can be comforting when you use your negotiation skills to resolve a conflict with someone close to you and salvage the relationship. Negotiation can also be frustrating if the other party isn't cooperative or completely above board; however, being able to recognize and successfully deal with such people can reduce the time and resources you expend. Negotiation can be good for your ego. When you negotiate well, you feel a sense of accomplishment, especially if you are a bit competitive. Participating in negotiation role plays can even help develop your critical thinking skills,⁹ which transfer to a variety of other situations in life. If none of this has you hooked yet, consider this—you really don't have a choice. Like it or not, you negotiate virtually every day in practically every aspect of your life, even if you don't think of it as such.

NEGOTIATION: IT'S EVERYWHERE

In organizations, managers negotiate when hiring employees and continue to negotiate with them throughout their employment over subjects that run the gamut from work assignments to time-off to resolving conflicts between coworkers. They negotiate budget allocations with senior management and labor contracts and grievances with unions. Nonmanagement employees negotiate and resolve conflicts with customers, suppliers, coworkers, or even other departments within the organization. Today, as more organizations are moving toward team-based work environments, there is increased interaction between coworkers. As the interaction with others increases, particularly in the absence of positional authority, so does the need for negotiation and conflict resolution skills.

Beyond the negotiations that every employee encounters on a regular basis, an increasing number of employees negotiate as a formal part of their jobs. In addition to the usual jobs in sales and purchasing, employees in operations, program management, engineering, finance, human resources, and other functional areas find themselves negotiating more frequently. One reason for this change is the increase in outsourcing and offshoring, which requires negotiation and subsequently conflict resolution with a wide variety of subcontractors, both domestic and international. There is also an increase in companies, even those that have historically been competitors, engaging in joint efforts to produce and market products. Sometimes, these arrangements develop into much more, as was the case with Chrysler and Fiat, who in 2009 announced an alliance that evolved into a merger in 2014. In other cases the alliance ends after a period of time. An example of this is the 2011 alliance between Ford Motor Company and Toyota to develop a new hybrid system for use in light trucks that ended in 2013 when they mutually agreed to end the alliance after the research and development phase. In both of these cases, the US companies partnered with foreign companies, which further complicates matters with differences ranging from linguistics and culture to logistical challenges. Moreover, with the increased focus on exposing and punishing unethical behavior in organizations, the need to understand the role of ethics—and develop principle-centered skills¹⁰—is essential in negotiation.

If you are a small business owner, you may negotiate with representatives of your local government for licenses, zoning variances, or a host of other issues. You will likely negotiate the lease or purchase of real estate to house your business, company vehicles to transport products, and a variety of office equipment. You may negotiate with other businesses for materials and supplies; landscape and parking lot maintenance; as well as cleaning, refuse, and recycling services. Any of these transactions could result in a dispute over merchandise or services. You might even find yourself in the midst of a dispute with a neighboring business over the use of an adjoining parking lot or with a landlord who is not living up to the terms of your lease or even with a customer who is not paying his bill. Historically, if the disputed amount was under a certain dollar value (e.g., \$2,000), the dispute would be resolved in small claims court. If the disputed amount was above the minimum for small claims, there would be a lawsuit. Today, however, there is a trend toward replacing the more formal and expensive avenue of legal action with methods that fall under the generic label of Alternative Dispute Resolution (ADR), the most common of which are mediation and arbitration. Of course, ideally you wouldn't need a third party because you would be able to negotiate directly with the other party to resolve the dispute, which would be the least formal and costly alternative.

Even if you aren't a business owner, you are likely to buy automobiles, real estate, and a variety of other big-ticket items in your personal life. Good negotiation skills can make the difference between getting a good deal and paying far too much. Over the course of your lifetime, this can easily amount to tens of thousands of dollars. Outside of work, you will negotiate and resolve conflicts with business associates, family members, friends, neighbors, and even total strangers. Here your negotiation and conflict resolution skills can be the difference between preserving—or even improving—a relationship and ending it.

Clearly, negotiation and conflict resolution are a part of daily life. In the workplace, good negotiation skills can result in better terms and conditions of employment and greater success when representing your employer. Similarly, the ability to resolve conflicts with or between others leads to a more harmonious work environment. Outside of work, these skills are equally beneficial. For example, we have seen that most consumers look at contracts as done deals. You either sign the contract or walk away from the deal. This is simply not true. In many transactions, terms can and should be negotiated, such as the price of a service, what's included in your new car purchase, even a contract with a book publisher! Similarly, when people have a conflict with someone, they may simply end the relationship, even when the relationship would be mutually beneficial. Thus,

improving your negotiation and conflict resolution skills will lead to increased success in both your work and personal lives, and greater work-life balance. But what if you aren't comfortable negotiating or think that you aren't very good at it? Can everyone become a better negotiator?

Points to Ponder

1. What type of things have you negotiated?
2. Was it easy for you?
3. Do you enjoy negotiating with others?
4. What would you like to learn about negotiating?

NEGOTIATION: IT'S FOR EVERYONE

We all know some people who always seem to get good deals when they negotiate. Whoever the other party may be and whatever the subject is, they get what they want, when they want it, and they get it on their terms. Some people are able to do this while maintaining or even improving their relationship with the other party. They are respected and well liked, and people want to associate with them in and out of the workplace. There are other people, however, who may get their way but damage the relationship in the process. These people are often labeled bullies or tyrants. They are the boss that no one wants to work for, the coworker that no one wants to work with, and the customer no one wants to serve. We look at their families and feel sorry for them.

We also all know people who never seem to get what they want. They are the workers who get stuck with menial tasks no one else wants to do and work longer and harder than their coworkers yet never get any recognition for their hard work and dedication. They are the people who are repeatedly passed over for promotion. Sometimes, we feel sorry for these people and want to help them, and other times we wonder why they won't stand up for themselves. We may even begin to think they enjoy being a victim. Yet the answers are often more complex. Perhaps they haven't really thought about what they really want or if it is even realistic. Maybe they are too timid or don't know how to ask for what they want. They may not have reflected on why they should get what they want or developed convincing arguments. It's likely they don't understand the process or value of negotiating.

But it is not simply that a person is always a good negotiator or always a poor negotiator. Often, people do well in certain contexts but not others. Some people drive a hard bargain in the workplace but acquiesce to anything when it comes to family. Others might always get their way with family—albeit sometimes by whining—but be reluctant to ask for what they want at work. Sometimes people do well with certain types of negotiations but not others. For example, an individual might negotiate great deals with suppliers but be hesitant to ask for a raise he clearly deserves. Some people may be more assertive negotiators when they are acting on behalf of another person than when they are representing themselves.

What is the difference between those who negotiate well and those who don't? In being effective in some situations but not others? With some people but not others? Can everyone learn to become a better negotiator in all situations with all people? Yes! If you are someone who is very uncomfortable with the idea of negotiating, with practice you can increase your comfort level. If you are someone who is already comfortable with negotiation, you can improve and refine your skills. If you do well in some situations but not others, you can learn to apply the process in a variety of situations and transfer your skills from the workplace to the marketplace to the home front. You can even learn to deal more effectively with those with whom you are not comfortable negotiating.

CHARACTERISTICS OF NEGOTIATION

Experts have identified six characteristics of negotiation, as shown in Figure 1-1.¹¹ First, you must have two or more parties. While people sometimes strike deals with themselves (e.g., if I lose ten pounds, I will buy myself a new outfit; when I finish writing this chapter, I will take a day off), this is not considered a true negotiation. Second, there must be a conflict of interest. Obviously, if everyone was already in agreement, there would be nothing to negotiate. The conflict can range from something relatively minor without much at stake to something major that can affect millions of people. Minor conflicts can arise between friends, such as where to go for lunch or what movie to see. In all likelihood, if one party doesn't get what he wants, it will not have a major impact on his life. An example from the other end of the continuum is the ongoing war in Syria, which began with peaceful prodemocracy protests in 2011. The government of Bashar al-Assad responded with deadly force to halt the dissent. In the years since, the situation has continued to escalate with horrific results and drawing in many other countries. Most recently, on April 4, 2017, the Syrian government launched a chemical attack on its own people, prompting the United States to respond days later by bombing the airbase that was home to the planes that carried out the attack.

FIGURE 1-1

Six Characteristics of Negotiation

1. There are two or more parties.
2. There is a conflict of interest.
3. You expect a better outcome as a result of the negotiation.
4. The parties prefer mutual agreement.
5. There is an implied quid pro quo.
6. There are both tangible and intangible components.

The third characteristic is that you should expect a better outcome as a result of the negotiation. If you can't get a better deal by negotiating, why put any effort into the process? There are a number of reasons why people don't negotiate.¹² Some may assume they can't do any better than the stated offer, so they don't try to negotiate. Some people are embarrassed to ask for a better price on something. They think the seller or others will think they are poor or cheap if they ask. Some may be willing to attempt negotiation in one context but not another.¹³ The reality is that you will never get a better outcome unless you ask. That doesn't mean that you have to be rude or antagonistic about it. Indeed a politely asked "Is that the best you can do?" will often be greeted with a better offer. You just have to get in the habit of asking.

Asking can be especially hard for job applicants when an employer offers them a job. Often, they are afraid the employer will get mad and rescind the offer; however, it is highly unlikely that an employer would respond in such a harsh manner to a politely asked "Is that the best you can do?" Research suggests that an employer will come back with a higher offer,¹⁴ even an offer of several thousand dollars more, which can amount to a substantial difference over time. Let's take the example of Jill, who posed that simple question to her last employer when she was offered a job. The employer immediately increased the base salary offered by \$3,000. On the surface, it appears that Jill gained \$3,000, which for most people isn't a trivial amount. But if you look deeper, Jill gained substantially more than that. Over time it could amount to tens of thousands of dollars. If Jill stays with the employer for 10 years, the difference is \$30,000. If she stays 20 years, it is \$60,000. If she ends up spending her entire career (from college graduation at age 22 to retirement at age 67) with this employer, it is \$135,000, an amazing amount

for asking the simple question “Is that the best you can do?” If she changes employers a few times and gets more than initially offered each time, the numbers can go even higher. And this is when you keep the calculation to simple math.

If you wanted greater accuracy, you would factor in the increased amount that would accumulate with raises. In essence, this is the same principle as compound interest. If you get raises that are a percentage of your base salary and your base salary is higher, your raise will be higher. In Jill’s case, assuming she gets an annual raise of 3%, the raise on the additional \$3,000 would amount to a raise that was \$90 more in the first year. While this might not seem like much initially, it adds up by compounding over time. Add to that the increased amount attributed to all forms of compensation and benefits that may be calculated as a percentage of base pay (overtime pay, employer contributions to your retirement plan, life or disability insurance, social security, etc.) and you see the full impact of negotiation.

The fourth characteristic is that the parties prefer mutual agreement as opposed to giving in, fighting, walking away from the relationship, or appealing to a higher authority. Imagine you live next door to someone who goes to bed early and likes to get up with the sun to take care of outdoor chores with big noisy power tools. You, on the other hand, work nights, like to have friends over after work to listen to music, and sleep later in the morning. These differences have left you and your neighbor on less than friendly terms. Your options are to stop entertaining after work, declare all-out war with your neighbor, move to a rural area where you are half a mile from your closest neighbor, call the police when your neighbor starts the lawnmower at 7:00 in the morning, and negotiate a mutually agreeable solution with your neighbor. While there is no guarantee that you will be able to work things out, you will never know unless you try.

The fifth characteristic of negotiation is that there is an implied quid pro quo. In other words, both parties need to be willing to give something to get something. You can’t realistically expect your up-with-the-sun neighbor to give up his power tools and start partying with you at 4:00 in the morning to the latest Top 40 music. What is more realistic is that you agree to hold down the noise late at night in return for your neighbor showing you the same courtesy early in the morning. You may not become friends, but you might be able to find a way to peacefully coexist.

The last characteristic of negotiation is that it will involve both tangible and intangible components. Staying with the example of the neighbor, he might agree to keep his power tools in the garage until 9:00 am if you agree to keep the volume of your music down and limit the number of people you entertain. Alternatively, you might both agree to limit the activities the other finds offensive to certain days of the week. Either way, you both get tangible results as well as the intangible reduction in stress caused by the conflict. While negotiation is preferred in most situations, Figure 1-2 discusses those rare occasions when you may choose not to negotiate.

FIGURE 1-2

When You Might Choose Not to Negotiate

While we certainly promote negotiating in most situations, we would be remiss if we did not acknowledge that there are times when you might choose not to negotiate. For example, if you are trying to help the other party to achieve her objectives. This could be as simple as buying a product at the price listed because you want the other party to profit on the sale. For example, a single mother selling handmade items to help support her family or a retired man who performs small household repairs to supplement his fixed income. At other times, you might believe the price a seller is asking for an item is already a good price. Occasionally, there are situations where you are aware that you could get a better deal by negotiating but choose not to because of other demands on your time and energy. In these circumstances you are essentially deciding that you can obtain more value by spending your time and energy doing something else. Just remember that choosing not to negotiate usually results in a lost opportunity for gain.

THE NATURE OF NEGOTIATION

The basic characteristics of negotiation help identify situations where negotiating may prove fruitful, but they are only the beginning. There are other fundamental concepts that must be understood if one is to become a successful negotiator.

Interdependence

Implicit in all negotiations is that the parties have some level of **interdependence** (i.e., they are neither completely dependent nor completely independent), and that by working together, all will benefit. While there are many examples of interdependence, Sly and the Family Stone give a good musical example in their rock and roll classic *Dance to the Music*:

All we need is a drummer for people who only need a beat. I'm gonna add a little guitar and make it easy to move your feet. I'm gonna add some bottom, so that the dancers just won't hide. You might like to hear my organ playing 'Ride Sally Ride.' You might like to hear the horns blowin' . . .

and the song continues with the contribution of the various musicians in the group. Without offending the drummers out there who live for their drum solos, it must be stated that most people wouldn't attend a concert or stream the music that contained only drum solos. That is because the music is better, as judged by concert attendance and sales of the music, when all members of the band play together.

Such is the nature of interdependence; we have both something to contribute and something to attain. It is rare indeed that we are either completely dependent or independent. This is true in the workplace, where we depend on others within and outside the organization. We depend on virtually everyone in our own organization to help us accomplish our work. If we work in manufacturing, we depend on people in sales and marketing to obtain orders for our products, engineers to determine how to build the products, buyers to obtain the raw materials to make the products, and people in accounting to collect the payments for the products and track the company's financials, just to name a few. Outside of the organization, we depend on suppliers to provide the goods and services we need and customers to purchase our goods and services. Even those who are self-employed depend on a variety of suppliers and customers to provide materials and services. Similarly, in our communities we depend on each other to make a variety of contributions, ranging from volunteer work to the simple acts of voting and paying our taxes. In both our work and personal lives, we depend on friends and family members to help us out in times of difficulty and share our happiness during good times. These interdependencies both influence the balance of power in negotiations and are often more effectively managed by negotiating. We explore this in detail in Chapter 3.

APPROACHES TO NEGOTIATION

While the terms negotiating and bargaining are often used interchangeably, they are two different approaches to coming to agreement. Negotiation typically refers to **Integrative Negotiation**, which is a collaborative approach where the parties work together to reach an agreement that meets the needs of all parties. Integrative negotiation is more likely when you have an ongoing relationship with the other party. Bargaining typically refers to **Distributive Negotiation**, an approach where each party is trying to obtain the best possible outcome for himself without concern for the relationship with the other party. It is more common when the subject is a one-time transaction with someone with whom you do not have or desire to have an ongoing relationship. We will address both of these approaches in much more detail in Chapters 3 and 4.

Interests versus Issues

When negotiating, it is important to distinguish between interests and issues and properly define each. **Interests** are what you hope to accomplish to address your underlying concerns, needs, desires, or fears. It is not simply what you are “interested in.” Interests may include substantive issues, procedures used, maintaining the relationship, and matters of principle.¹⁵ Fisher and colleagues¹⁶ maintain that the most powerful human interests are basic human needs that include security; economic well-being; and a sense of belonging, recognition, and control over one’s life. These interests permeate one’s entire life and transcend the boundaries between our work and personal lives. For example, having job security and adequate compensation provides a sense of economic well-being that influences our standard of living and how we spend our time outside of work (e.g., exercising, playing sports). Having flexibility in your work schedule can help meet your need to be available to your children at certain times or assist your elderly parents. At the same time, what we do outside of work (i.e., living a healthy lifestyle) can influence work-related factors (e.g., absenteeism).

In the example of the neighbors, the interests may include each party’s need to get adequate sleep (control over one’s life), especially on days they have to work (economic well-being). Your neighbor may also have a strong desire to have a well-maintained home and yard (to maintain or increase the value of the home and recognition from others) and to get the work done early to avoid the midday heat (to minimize health risks) or to allow time for other activities in the afternoon (control over one’s life). You may have a need to unwind after work or to maintain social contact with your friends (a sense of belonging), which may be difficult because of your work schedule. You may both have a desire to resolve this in a fair manner that respects the rights of all parties to keep this conflict from escalating (security). You may also both wish to get along with the other since you are neighbors (a sense of belonging).

In a perfect world, we would be able to get everything we want and need in life. Unfortunately, that rarely happens, as exemplified in the saying that in life everyone has five battles to fight but only three arrows in your quiver. Thus, it is important to prioritize your interests to help you focus on what is most important to you. If you are negotiating a job offer, your interests may include financial well-being, control over your life, being close to your employer, long-term opportunities, and security. Depending on the relative priority of these interests, the best outcome you can negotiate may look quite different. If your top priority is to remain close to your employer to minimize your commute time, you may be willing to consider a nearby apartment or condominium. On the other hand, if your top priority is to have control over your life, you might be willing to commute farther to be able to buy a house where there would be few restrictions on what you can do with your property.

If you buy a house, there will likely be things that you need or want to do depending on your individual interests. Of course, you need a safe house to live in. If you have a dog, one of your interests will probably be the safety of your pet(s). If you have or are planning to have children, one of your interests would be to provide them with a safe and comfortable place to sleep. If you are close with your extended family or a group of friends, an interest would be to maintain close ties with them. All of these interests can be met in a variety of ways, some of which would be very costly and others that would cost very little. For example, the need for having a safe house to live in could be met by an elaborate and costly security system or simply changing the locks on the doors. The need for a safe environment for your dog(s) could be met with a tall fence around the perimeter of your property or a small kennel area. A safe and comfortable place for your children to sleep might mean each child has his or her own bedroom or that children share a room with bunk beds. The need to maintain close ties with family and friends could be met with anything from a luxurious space for entertaining inside and out to a volleyball net or a fire pit in the backyard. Because the vast majority of people have some limit on their discretionary income, to best meet your needs you need to prioritize your interests so that you can put your resources (i.e., time and money) into the things

that are most important. That is not to say that you won't be able to do all that you want to do to your house in the long term; it just means that you need to be able to do things one at a time beginning with those that will satisfy your highest priority needs.

Issues are the specific items or terms you actually negotiate, not something you "have an issue with." This includes what is or is not going to happen, who will be responsible, when it will or will not happen, how it will be done, and what happens if one of the parties doesn't live up to the agreement. For those not skilled in negotiation, it is often the first thing they think of when they anticipate negotiating. Unfortunately, failing to consider the underlying interests and jumping right into the issues to be negotiated often leads to suboptimal agreements. For example, focusing solely on obtaining the highest starting pay when you are negotiating a job offer may lead you to decline an offer that has a lower starting salary but more opportunities for promotions that could result in much higher pay in the long term.

In the example of the neighbors, the issues might include the time at which your neighbor starts using his power tools, the days or the frequency when the tools would be used, a curfew on your parties, and/or a limit on the frequency or days when you can have them. There are a multitude of issues that are negotiated depending on the situation; however, in all cases the issues we negotiate need to satisfy our underlying interests.

The Role of Incentives

The best possible outcomes in negotiations are usually realized when all parties' interests are satisfied to some extent. Thus, negotiation is not just about pounding your fists on the table and getting everything you want, while the other party limps away empty-handed licking his wounds. This may be the makings for a classic Hollywood drama, but in real life it typically doesn't work, especially when you need to deal with the other party again in the future. But if it isn't about pounding your fists to frighten your opponent into submission, what is it? According to the dictionary, to **negotiate** is "to arrange for or bring about by discussion and settlement of terms."¹⁷ But negotiation isn't just about being a smooth talker either. Beyond having good communication skills, truly successful negotiators understand the process of negotiation, particularly the role of incentives and persuasion tactics, the parties involved, the subject of the negotiation, and the specific situation.

Successful negotiators know that people respond to incentives and that you can often get more for yourself by understanding and offering the other party what she wants. We see this in practice every day in a variety of situations. One example is new car sales. When the economy is bad, people don't spend as much money. To encourage people to buy new cars, the automakers offer no-interest or low-interest financing or rebates, and sometimes even both. The automakers understand that even when the economy is bad, there are people who would like a new car and that offering a great deal may provide the incentive people need to spend money when they otherwise wouldn't. On a smaller scale, retailers advertise "buy one get one free" or "buy one get half off" offers on everything from groceries to apparel to recliners. When consumers think they are getting a deal, they often buy more, sometimes whether they actually need the product or not.

When there is tough competition in a labor market, employers use incentives to attract employees. With the ongoing shortage of nurses and other health care professionals, hospitals sometimes encourage prospective employees to work for them with signing bonuses. Some offer to pay off student loan debt as an incentive to get people to move to less desirable geographic areas to alleviate a shortage. This is especially true with physicians, who often graduate with large amounts of debt, making such an incentive even more appealing. In some cases, employers offer incentives, typically in the form of a raise, to retain employees who have let the employer know that they are seeking other employment. This, however, does not mean that if you threaten to quit, your employer will automatically offer you more money to stay. Indeed, most of us

know someone who has threatened to quit in an attempt to pressure an employer for a pay increase, only to have the employer wish her well in her new endeavors.

Similarly, offering incentives does not guarantee that everyone will jump at the offer. A particular incentive may work for one person but not another. When automakers offer incentives, some people buy cars, while others do not. When a remote town in the middle of nowhere offers to pay off a physician's student loans, not all newly minted MDs eagerly apply. So how do you know if an incentive is going to be effective? You typically don't know for sure, but you can make fairly accurate predictions if you understand the other party and she wants or needs. To do this you must accept that we are all different and value different things. It is human nature to assume that others have the same values and priorities in life that you have, but this is not accurate. Psychologists even have a name for this: fundamental attribution error. While you may place a high value on driving a new car or living in the city of your choice, others may place a higher value on having money in the bank for a rainy day or having their student loans paid. To understand the other party's interests, you need to get to know him and his history, and be able to view the situation from his perspective. And yes, this all takes time and effort.

Negotiators also need to understand the subject of the negotiation. If you are negotiating to purchase steel for use in the manufacture of your company's products, you need to be well versed in the technical specifications of steel, as well as the requirements for your particular application. If you are negotiating a job offer you need to understand the demand for your knowledge, skills, and abilities in the relevant labor market and the various aspects of compensation and benefits. If the negotiation involves buying a vehicle, you need to understand the makes, models, and options available. Whatever the subject of the negotiation, you need to be able to identify and understand a wide range of alternatives because research and preparation is vital to success in negotiation. As with understanding the other party, understanding the subject of the negotiation and researching alternatives takes time and effort.

Finally, successful negotiators understand the specific situation. What works with a particular person in one situation may not work in another. For example, a person who would normally be inclined to take advantage of great financing and instant rebates on a new car may not be if she is concerned about being laid off from her job. Indeed, economists track a variety of statistics on people's behavior from consumer spending to new construction of residential housing to use when making predictions about the economy. In a similar vein, someone who may be tempted to move away to a remote location if he was single may not be willing to do so if he has small children or ailing parents. Successful negotiators make an effort to understand the situation from the perspective of the other party and offer solutions and options that would be perceived as valuable or desirable. This is not always as easy as you might think.

A further complication is that situations change, sometimes dramatically and rapidly, as was the case of Fox News and its longtime cable news star Bill O'Reilly in 2017. A *New York Times* story on April 1, 2017,¹⁸ reported that \$13 million had been paid to five women to settle sexual harassment claims. This was the beginning of the end of the long-term, mutually profitable relationship. Only 19 days later, O'Reilly was forced out after more than 50 advertisers severed ties, and there were widespread calls by women's rights groups for his termination. This was less than a year after Fox News' founding president Roger Ailes resigned after a series of similar accusations of sexual harassment.

While situations may change unexpectedly, successful negotiators understand this and work with it. They may even be able to influence the situation to make it more favorable. Indeed, O'Reilly left with a reported \$25 million severance package, which pales in comparison to Ailes' reported \$40 million.¹⁹ It certainly appears that both O'Reilly and Ailes adapted and made the best of their respective situations. This is what successful negotiators do; they adapt to changing circumstances and find alternatives that meet their needs. But even successful negotiators sometimes encounter difficult situations or people and have to deal with conflict.

Conflict

Conflict can be defined as a fight, battle, or struggle; a controversy or quarrel; discord of action, feeling, or effect; or incompatibility or interference.²⁰ It can be intra- or interpersonal or group. Intrapersonal conflict is the conflict a person feels within himself or herself. A common example is work–family conflict, where a person is trying to fulfill the roles of employee and parent simultaneously and feels torn between the two roles. While this is a serious issue, it does not fit our requirement that there be two or more individuals for negotiation to occur. Interpersonal conflict is conflict between two people and includes conflict between coworkers, business acquaintances, neighbors, or friends. Intragroup conflict occurs when there is conflict between people within a group. This could be within a work team, family unit, or social group. Intergroup conflict is conflict between groups and can include conflicts between departments, teams, or even countries.

In general, conflict can be functional or dysfunctional, and you need an appropriate amount; too much or too little is not good. If the conflict is managed well, it facilitates innovation and change and results in better-quality decisions. It can also bring previously ignored problems into the open so they can be addressed while clarifying individuals' expectations and enhancing organizational commitment. It also tends to pique employee interest and increase understanding of why things are the way they are. If the conflict is not well managed and gets out of control, the result is a high level of personal stress, anxiety, and burnout. At an organizational level, it usually creates a climate of mistrust, as individuals engage in defensive risk-avoiding behaviors, and there is reduced cooperation and sharing of resources. In negotiations, poorly managed conflict often leads to a breakdown in the negotiation process and may result in the parties not reaching an agreement. We address the issue of conflict and approaches to resolving it in detail in Chapter 5.

Whether you are a novice or an experienced negotiator, you can always improve your negotiation and conflict resolution skills. Our goal is to help you do that by helping you to understand the processes involved and become proficient in gathering, assembling, and using relevant information so you are well prepared and equipped for success in negotiating and resolving conflicts in a wide variety of settings.

Points to Ponder

1. Have you or someone you have known ended a relationship where there was conflict that might have been repaired?
2. What kinds of things have you done to repair a broken relationship?
3. What would you like to learn about resolving conflict?

PREPARATION: CLARIFYING GOALS AND INTERESTS

In most cases, successful negotiators, regardless of their experience level, spend more time preparing for a negotiation than they actually do negotiating. They are also more likely to approach it from a problem-solving perspective instead of as a competitive game. The first step is to identify the potential interests and issues involved, tangible and intangible. Understanding your needs leads to higher aspirations,²¹ which leads to more favorable outcomes.²² When you are identifying issues, it is important to think beyond what is important to you and consider issues that may be important to the other party.

Let's say you are planning a vacation to Hawaii with a friend. The obvious tangible issues that are likely to come to mind first are when you will go, where you will stay, and how much it will cost. You have to come up with a time for the trip that takes both

your school schedule and your friend's work schedule into consideration. You will also have to decide where to stay: will it be a five-star resort on the beach or an economy motel a few blocks away? This is likely to be influenced by your respective finances. If your working friend has cash in the bank and you are struggling to pay your tuition, the answer is unlikely to be easy.

But you need to go beyond obvious issues and address the interests of everyone involved. You may be looking at it as an opportunity to see the sights and participate in all the activities, while your friend may want to spend serious time on the beach. On the surface this could play out as a difference in what each party likes to do—sightseeing versus tanning—but the underlying interests may be quite different. You may want to tour Pearl Harbor because you plan to take a class on the history of World War II and want to use this as an opportunity to tour one of the most significant sites involved. Or perhaps you have a grandparent or great-grandparent that was stationed at Pearl Harbor during the war. Your friend may be looking at the vacation as an opportunity to recover from a very busy work schedule or explore a potential place to live. Thus, a less obvious concern that you should address is why you want to go and what you want to accomplish while you are there. By doing so, you will have an increased likelihood of coming up with a plan that meets both of your needs.

One of the most important things you need to think about is that you will be negotiating with a friend. Presumably you want to maintain the friendship, so that is also one of your underlying interests. Indeed, any time you enter a negotiation you need to think about the relationship you have with the other party and the value you place on maintaining or even building that relationship. The more important your relationship with the other party is, the more likely you will take a more integrative, as opposed to distributive, approach to the negotiation.

Once the interests and issues are identified, you need to prioritize them. One way to think about it is in terms of what you must have, what you would like to have, and things you could care less about. Staying with the example of your Hawaiian vacation, you might list all the activities and attractions that you and your friend might possibly engage in or explore and then classify the issues as high, medium, or low priority from your perspective. From there you can estimate the priority your friend places on each of the activities. In doing this, you need to keep in mind your friend's and your underlying interests, that is, relaxing and taking in the sights, respectively. Of course, at this point you are only estimating your friend's priorities, but this estimation can give you a sense of where there might be common ground when the actual negotiation begins. While you might think this is excessively detailed, it really helps to put your list in writing so you and your friend can visually identify the alternatives and your priorities. Table 1-1 is an example of how this might look.

Activity	Your Priority	Friend's Priority
Beach time	Low	High
Pearl Harbor	High	Low
Atlantis submarine	Low	Low
Hawaiian luau	Medium	Medium
Pineapple plantation tour	Medium	Low
Catamaran dinner cruise	Medium	Medium
Shopping	Low	Medium
Zoo/aquarium	Low	Low
Helicopter tour of island	High	High
Hiking Diamond Head	Medium	Low
Learning to surf	Low	High

Table 1-1
Prioritizing Issues for Your
Hawaiian Vacation

Laying out the alternatives in this way makes it easy to see the possibilities. It doesn't provide one solution; indeed, there are several very plausible solutions. You might decide to do the helicopter tour of the island because you both really want to do it (and because it is very cool). You might also decide to spend time on the beach and tour Pearl Harbor together because each is a high priority to one of you. Conversely, you could agree to tour Pearl Harbor while your friend spends time at the beach learning to surf, and then do the Hawaiian luau or the Catamaran dinner cruise together because it is something in which you are both moderately interested. And these are just a few possibilities. While this example is very simplistic, you could easily add other factors to consider. If cost were an issue, you could include a column for the estimated cost of each activity so you could estimate budget requirements.

Once you have identified and prioritized the relevant interests and issues, you need to consider your alternatives. If you don't come to a negotiated agreement with your friend, what are your options? One alternative would be to go alone. This would likely increase your cost because you wouldn't be sharing a room. Besides, most people find it more fun to travel with someone. You might also find someone else to go with. Here you need to consider people who might be interested, have the time and financial resources available, and who might be more like-minded in terms of what activities they would enjoy. You might even find a group tour that you could join. Of course, another alternative is that you simply don't go.

Your approach to the negotiation is going to depend on how much you want to go and how attractive your alternatives are. If the idea came up one night after a few cocktails and you aren't 100% committed to going, you might decide it's not worth a lot of effort. On the other hand, if you really want to go and don't have anyone else with whom to travel, you would probably be willing to put more effort into reaching an agreement. Of course, you also have to think about these things from your friend's perspective. How much does she want to go? What are her alternatives? Often it helps to put yourself in your friend's shoes to try to understand her perspective.

Once you have identified your friend's and your alternatives, you need to think about what you want to say and how you will say it. You may even practice this with another person to get feedback. If you think this is overkill, think about your worst classroom presentation. We have all had them. You go in very confident in your ability to "wing it" only to find yourself in the middle of your speech stumbling and wishing it were over. While you probably won't have an audience when you are negotiating, you do want to get your point across effectively.

Your preparation should also include anticipating what the other party might say and how she might react. You don't want to inadvertently say or do something that is going to anger the other party, especially if you care about maintaining the relationship after the negotiation. Even if you don't care about the relationship, making the other party angry is going to diminish the chance of negotiating an agreement. Anticipating the other party's reaction is often easier when you are rehearsing with another person because you can get his opinion on your approach and assumptions. Of course, another person's opinion isn't a substitute for good research.

PREPARATION: THE IMPORTANCE OF RESEARCH

Whether you are planning a vacation or preparing for some other negotiation, a big part of the preparation process is research to help you understand what your alternatives are and to help predict what to expect from the other party. Fortunately, the Internet makes many resources available for gathering information, whereas previously, you had to physically go to a bank or credit union to look up the "book value" of used cars in Kelly's "blue book." Today you can access this information online at Kelly's Blue Book website (www.kbb.com) or one of several other such sites. (Chapter 13 provides detailed information on negotiations involving automobiles.) But the information available today

isn't just limited to automobiles. There is a wealth of information available to help you prepare for a variety of negotiations.

If you were planning to buy a house 10 or 20 years ago, you had to rely on a real estate agent to give you access to their multiple listing book; a three-ring notebook containing a page of information on each home for sale in a particular area. If you were planning to sell your house, you had to rely on the same real estate agent to give you information on the sale price of other comparable homes in the area that had recently been sold. Today, most realtors' websites are linked to the multiple listing database of all properties for sale in an area (see Chapter 14 for more on real estate negotiations). The information available goes beyond autos and houses.

When your parents and grandparents were looking for their first job, they likely scoured the "help wanted" section of the Sunday newspapers. If they were wondering about average salaries and benefit packages in their field, they would either rely on word of mouth or get information from a headhunter (e.g., professional recruiter). Today, you can simply go online and access one of the websites containing salary survey information such as www.salary.com or www.monster.com (see Chapter 12 for more on workplace negotiations). If you are thinking about relocating, there are also sites available that show you the difference in cost of living from one geographic area to another, which can make a big difference in whether relocation is a smart move from a financial standpoint.

Research takes negotiation from "I want a raise because I want/need more money" to "I deserve a raise because the going market rate in our area for people with my credentials and experience is 15% higher than what I am currently making." Having appropriate documentation helps focus the negotiation on facts and logical conclusions instead of emotions. Conducting appropriate research prior to a negotiation increases your competence as well as your confidence. The more and better your research, the greater the likelihood of arriving at an agreement that meets the needs of all parties and avoiding conflict.

ETHICS IN NEGOTIATION

Negotiation is a form of social exchange, which means there is a possibility that one party will exploit, or attempt to exploit, the other.²³ It is very common in negotiations to question whether a person is behaving ethically or using negotiation tactics that are ethically questionable and to what extent you should trust them.²⁴ One's ethics are based on individual differences and one's ability to extricate oneself from one's actions that push or even go beyond moral limits.²⁵ Because one's ethics are personal, a tactic one person views as ethically appropriate may not be viewed that way by others. Even if you always behave in a highly ethical manner, others with whom you negotiate or have conflicts may not. While in some cases you can simply choose not to deal with a person who behaves unethically, there are instances where the person is the only source for something you need.²⁶ Thus, it is important to assess not only your behavior in a particular situation, but how others might act as well. To facilitate this, we include one or more ethical dilemmas at the end of every chapter to provide you with an opportunity to assess numerous behaviors in a wide variety of settings.

There are multiple aspects of negotiations that can be evaluated on the basis of ethical standards. Five of the more common are deception, disclosure, fairness, fidelity, and respect.²⁷ Deception addresses the extent to which a negotiator makes statements that are literally true, but designed to mislead. For example, let's say you are purchasing a car from another individual and ask the seller if there have been any repairs done to the vehicle. Would it be ethical if the seller responds no, even though he knows the vehicle needs repairs, because the needed repair has not been done? Disclosure is the extent to which a party to a negotiation is obligated to provide information that is not requested. For example, is a person negotiating a job offer ethically obligated to inform the prospective employer that she will need to have surgery in a few months? Fairness addresses the extent to which the proceeds from a negotiation should be evenly divided.

Fidelity comes into play when an agent is representing a party to a negotiation and deals with the alignment of the agent’s interests with those of his client. For instance, when an agent is working on a commission basis, is his priority obtaining the best possible outcome for his client, or is it obtaining the highest commission possible? Finally, the attribute of respect has to do with the extent to which the other party in a negotiation is treated as a means to an end, a human being, or both.

When you are evaluating the aspects of ethical behavior/tactics, there are many approaches that may be used, not all of which produce the same results. For our purposes, we will focus on the three most commonly used approaches in the business ethics literature—utilitarian, rights, and justice.²⁸ The **utilitarian**²⁹ approach maintains that the best alternative is the one that provides the greatest good and least harm for the greatest number, although individuals may suffer as a result. An example of this would be when a local government forces a landowner to sell her property to make way for an airport expansion or new highway. In these situations, the individual homeowner’s interests are deemed less important than the interests of the general public. When evaluating a situation using the utilitarian approach, the questions to ask are, who is being helped by the action, and who is being harmed? If there are more people being helped than harmed, the utilitarian perspective would hold that the action is justified.

The **rights** approach to ethics holds that ethical decisions are ones that protect the rights of individuals (e.g., privacy, free speech), although it might not result in the greatest efficiency or total value.³⁰ The issues to address are: what rights are being exercised, by whom, and whether there are any rights being denied; if yes, then which ones and whose? Consider the example of the two neighbors discussed earlier. Does one neighbor’s right to peace and quiet outweigh the other’s right to do as he pleases on his own property? As you might guess, this example could be argued either way depending on whose rights you are most concerned with, and perhaps, even if you are a morning or a night person.

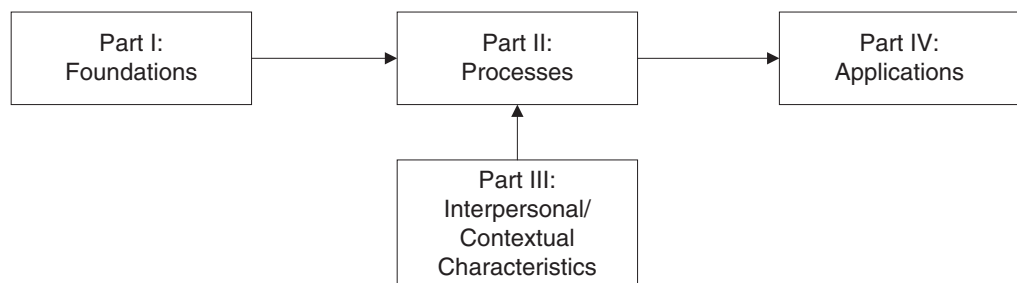
The **justice** perspective focuses on the fair and impartial creation and application of rules.³¹ An example would be an employer who refuses to make any exceptions to a policy regardless of the situation. If you are an employee in such an organization, it will likely be much more challenging to negotiate creative working arrangements than it would be otherwise. Relevant issues to address when evaluating situations with this approach are as follows: Are any laws, policies, or rules being violated? Which ones? By whom? In the example of the neighbors, the outcome would be influenced by any local noise ordinances.

OVERVIEW OF THE BOOK

As shown in Figure 1-3, we have divided this book into four sections that provide an appropriate theoretical background in negotiation and conflict resolution. Every chapter has a number of exercises to help you better understand the concepts and provides opportunities to practice and develop your negotiation and conflict resolution skills for

FIGURE 1-3

Organization of the Book



use in a wide variety of business and personal situations. Like anything else, the more you practice negotiating, the more competent and confident you will become with the process and the better your outcomes will be. Each chapter also has one or more ethical dilemmas that allow you to evaluate the extent to which the behavior of the parties was ethical and explore alternative behaviors in such situations.

Part I is the foundation. It provides an overview of negotiations in general and defines the language used in negotiation and conflict resolution. Part II covers the processes involved in distributive and integrative negotiation and conflict resolution. Part III considers the interpersonal and contextual characteristics of negotiation, ranging from the impact of personalities, communication, and relationships to the impact of culture and involvement of additional parties in a negotiation.

After introducing the basic premises of negotiation and conflict resolution, in Part IV we shift our focus to the application of what you have learned. Here, we delve more deeply into the specifics of negotiations that you are likely to encounter in the workplace, as well as negotiations involving automobiles and real estate that may occur in both your personal and professional lives. This “deep dive” into the research, planning, and execution of these common negotiations provides a greater depth of experience with the negotiation process that you will be able to transfer to other settings.

SUMMARY

Whether we realize it or not, we negotiate something almost every day of our lives. We negotiate and attempt to resolve conflict at work and in our personal lives. Some of us are highly skilled negotiators who enjoy the process, and others are not. Some of us are good in certain situations or with certain subjects but not others. However, regardless of our skill or comfort level, we can all improve. To be more successful, we need to understand the role of incentives, the interest of the parties involved, the issues involved in the negotiation, and the importance of preparation prior to a negotiation. If we become skilled in the process, we will achieve better substantive outcomes and enjoy better relationships with others.

SUMMARY: THE BIG PICTURE

Negotiation and dispute resolution	Negotiation and conflict resolution are learnable, transferable skills. The processes can be used in a multitude of work-related and non-work-related situations to obtain better outcomes and improve relationships. One's comfort level with negotiation and dispute resolution can be context dependent.
Negotiation characteristics	Two or more parties. Conflict of interest. Expectation of a better outcome. Prefer mutual agreement. Implied quid pro quo. Tangible and intangible components.
Interdependence	We need others and others need us.
Approaches to negotiation	Distributive focuses on own gain. Integrative focuses on mutual gain.
Interests and issues	Interests are basic needs. Issues are what we negotiate to meet our needs.
Incentives	Incentives motivate human behavior. Offering incentives that meet the other party's needs increases the likelihood of the other party agreeing to your proposals. Need to understand the other party's wants and needs, the subject of the negotiation, and the specific situation.
Conflict	Can be inter- or intrapersonal, or group; functional or dysfunctional.

(continued)

Preparing to negotiate	Clarify goals and interests, and prioritize. Identify issues and prioritize. Explore alternatives. Plan what you will say. Anticipate what the other party will say and how she will react to your proposal(s).
Research	Research all alternatives.
Ethics in negotiation	Utilitarian approach seeks the greatest good for the greatest number. Rights approach focuses on protecting individual's rights. Justice approach applies fair and impartial rules for decision making.

KEY TERMS AND CONCEPTS

conflict A discord of action, feeling, or effect; or incompatibility or interference.

Distributive Negotiation An approach where each party is trying to obtain the best possible outcome for himself without concern for the relationship with the other party.

Integrative Negotiation A collaborative approach where the parties work together to reach an agreement that meets the needs of all parties.

interdependence A state of mutual dependence, neither completely dependent nor completely independent.

interests What you hope to accomplish to address your underlying concerns, needs, desires, or fears.

issues The specific items or terms you negotiate.

justice An approach to ethics that focuses on the fair and impartial creation and application of rules.

negotiate To arrange for or bring about by discussion and settlement of terms.

rights An approach to ethics that holds that ethical decisions are ones that protect the rights of individuals (e.g., privacy and free speech), although this approach might not result in the greatest efficiency or total value.

utilitarian An approach to ethics where the best alternative is the one that provides the greatest good and the least harm for the greatest number, although individuals may suffer as a result.

DISCUSSION QUESTIONS

1. Identify situations where negotiation is likely in the workplace and in your personal life.
2. Using a negotiation with which you are familiar, describe the characteristics of negotiation.
3. Using a negotiation with which you are familiar, identify the parties' interests, and discuss how the issues that were negotiated related to the interests.
4. Identify incentives at school or work, and in your personal life, and describe how those incentives influence your behavior.
5. Using a negotiation with which you are familiar, identify the preparation involved and the extent to which it was successful. What else might have been done?
6. Identify possible conflicts that you may experience in the workplace and in your personal life.
7. Discuss your level of comfort in negotiating with others at school, work, and home.

ETHICAL DILEMMA: THE RESEARCH PROJECT

Bill and Rachael are both analysts in the market research department at ABC Company. Bill is generally viewed as a top performer. Objectively, his work is good, but he really excels at self-promotion. When dealing with others, he is a tough negotiator, confident to the point of being cocky. He likes to win and win big. He is unafraid of stepping on anyone's toes and lives by the motto that it is easier to beg forgiveness than to ask permission.

Rachael is bright and hardworking; however, she is modest and relies on others to notice the good work she does. She believes it's more important to spend her time working than promoting herself and publicizing her accomplishments. She views conflict as a complete waste of time and has a difficult time standing up for herself. This often results in others taking advantage of her.

Bill and Rachael have recently been assigned to work together on what has the potential to be a highly visible project. The project involves a lot of research, writing a report, and presenting the findings to the senior executives. They just finished meeting to lay out the tasks involved and establish a plan for the project. In their meeting, Bill told Rachael that she could do the research and draft the report and that he would make the presentation. When Rachael suggested they work together on the research and jointly make the presentation, Bill told her that she needed to do the research and draft the report because she was better at "that sort of thing," while he needed to make the presentation because of his superior presentation skills.

Bill left the meeting satisfied that he had won yet again and believing that since he would be making the presentation, he would get the majority of the credit for the project. This is important to him because he has heard there will be an opening in the near future for a senior analyst. He wants the promotion and thinks the visibility of this project will make him a shoo-in for the job.

Rachael left their meeting feeling resentful and put upon but not knowing what to do about it. While this sort of thing has happened to her in the past, she is especially upset this time because she has heard there will soon be an opening for a senior analyst and she is very interested in the position.

Questions

1. To what extent is Bill behaving ethically?
2. What do you think Bill should do in this situation? Why?
3. Does Rachael bear any responsibility for this situation? Why or why not?
4. How might Rachael negotiate an outcome that better meets her needs?

Exercise 1-1 A Trip Down Memory Lane

For this exercise, you need to think of times in your life when you have negotiated or attempted to resolve a conflict, and were successful or unsuccessful. The negotiations could be when you have purchased or sold something, where you have attempted to get something you wanted, or when you tried to get someone to do what you wanted. The conflict resolution examples could be when you tried to resolve a conflict you had with another person or when you attempted to resolve a conflict between other people. Your examples can be from work, school, or your personal life.

For each example, try to remember as much detail as possible—the who, what, where, and when of the situation. What, if anything, had you done to prepare or get yourself psyched up? What was the substantive outcome? What was the effect on your relationship with the other party? To organize the examples for further analysis, complete the worksheet on the following pages. For each of the categories, record the details of at least one example where you were successful and one where you were not.

After you have recorded the details of each example, identify commonalities in the situations where you were successful and the situations where you were not. For example, are you generally more or less successful when dealing with family members or strangers? Are you more or less successful with particular topics (e.g., buying/selling vs. interpersonal conflicts)? Is there anything you do to prepare that seems to help?

(continued)

Worksheet: Exercise 1-1 A Trip Down Memory Lane

1. Examples of when you purchased or attempted to purchase something and wanted to get a good deal on it.

Successful	Unsuccessful
Who: _____	Who: _____
What: _____	What: _____
Where: _____	Where: _____
When: _____	When: _____
Preparation: _____	Preparation: _____
_____	_____
_____	_____
Outcome: _____	Outcome: _____
_____	_____
_____	_____
Comments: _____	Comments: _____
_____	_____
_____	_____

2. Examples of when you sold or tried to sell something and wanted to maximize your outcome.

Successful	Unsuccessful
Who: _____	Who: _____
What: _____	What: _____
Where: _____	Where: _____
When: _____	When: _____
Preparation: _____	Preparation: _____
_____	_____
_____	_____
Outcome: _____	Outcome: _____
_____	_____
_____	_____
Comments: _____	Comments: _____
_____	_____
_____	_____

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3. Examples of when you attempted to persuade others (relatives, friends, coworkers, or strangers) to do what you wanted.

Successful	Unsuccessful
Who: _____	Who: _____
What: _____	What: _____
Where: _____	Where: _____
When: _____	When: _____
Preparation: _____	Preparation: _____
_____	_____
_____	_____
Outcome: _____	Outcome: _____
_____	_____
_____	_____
Comments: _____	Comments: _____
_____	_____
_____	_____

4. Examples of when you attempted to resolve a conflict with another person (relative, friend, coworker, or stranger).

Successful	Unsuccessful
Who: _____	Who: _____
What: _____	What: _____
Where: _____	Where: _____
When: _____	When: _____
Preparation: _____	Preparation: _____
_____	_____
_____	_____
Outcome: _____	Outcome: _____
_____	_____
_____	_____
Comments: _____	Comments: _____
_____	_____
_____	_____

(continued)

Considering the examples you have identified, complete the following paragraphs.

In general, I am more successful negotiating when:

In general, I am less successful negotiating when:

In general, I am more successful resolving conflict when:

In general, I am less successful resolving conflict when:

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Exercise 1-2 Mirror, Mirror on the Wall/Initial Self Evaluation

In this exercise, you will be assessing your negotiation and conflict resolution skills.

Part 1: To help you start thinking about this in more detail, complete the questionnaire below and draft a paragraph that describes how you see yourself as a negotiator.

Part 2: In class, you will form small groups and share your Individual Bargaining Statements. Group members will provide feedback that you may use to revise your Individual Bargaining Statement.

Part 3: Write an Initial Self Evaluation paper that addresses the following:

1. Individual Bargaining Statement/paragraph describing yourself as a negotiator.
2. How comfortable are you negotiating? How easy do you find it to ask for what you want?
3. How comfortable are you in situations of moderate conflict? How do you typically react to conflict?
4. How effective are you in persuading others? If you are going to try to persuade someone, how do you typically prepare?
5. What do you hope to learn in this class?

Worksheet: Exercise 1-2 Mirror, Mirror on the Wall/Initial Self Evaluation Self-Assessment Questionnaire

Rate each of the following on a scale of 1–5, where 1 = strongly disagree and 5 = strongly agree.

Rating	
	1. I usually enjoy trying to get a good deal when I buy or sell something.
	2. I am generally comfortable asking for a better price on something I want to buy.
	3. I am typically comfortable talking to people I don't know well.
	4. I frequently use humor to make my point.
	5. I am generally comfortable in new environments.
	6. I can typically maintain a poker face when I need to.
	7. I can usually understand another person's point of view.
	8. For the most part I enjoy persuading others.
	9. I am usually comfortable in situations where there is mild to moderate conflict.
	10. In most situations I am generally competitive.
	11. I can be very persistent when it comes to getting what I want.
	12. I have negotiated a number of times in my life.
	13. I am frequently successful in making things happen and getting what I want.
	14. I typically aim high when setting goals.
_____	Total points

(continued)

Based on your responses, draft a paragraph that describes how you see yourself as a negotiator.

Exercise 1-3 How Do Others See You as a Negotiator?

For this exercise, you will be interviewing three people who know you in different capacities (relatives, friends, coworkers, roommates, etc.) to develop a profile of how others see you as a negotiator in different environments (e.g., at home, at work, at school, when you are out socially, etc.).

Identify three people who know you from three different environments. Explain to each person that you are taking a class in negotiations and you would like to ask them some questions to help you better understand your negotiation and conflict resolution skills in different settings. Ask them to be very candid in their responses so you will know what you need to work on in the class.

Interview Questions:

1. How persistent am I when I want something?
2. How easily do I give up?
3. How competitive am I?
4. How likely am I to use:
 - a. Guilt or emotional appeal (“Please!”)
 - b. Logical explanation (“You should do this because. . . .”)
 - c. Exchange (“I’ll do _____ for you if you do _____ for me.”)
5. What do you think would make me a better negotiator?

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Summary of Results:

1. Whom did you interview, and how do you know each of them?

2. How did each person describe you?

3. To what extent were the descriptions what you expected? Why or why not?

4. What did each person say that surprised you?

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Exercise 1-4 Identifying Interests and Issues

This exercise allows you to practice identifying the likely interests of parties to a negotiation and the issues that could be negotiated to help meet those needs. First identify a current conflict between two countries and their respective leaders that would best be resolved through negotiation (e.g., the United States and North Korea, Ukraine and Russia, Israel and Syria, Syria and the United States, etc.). Using the following worksheet, identify the conflict, the countries involved, and their leaders. Next list the likely interests of the people of each country and the interests of the leaders. Finally, identify issues that could be negotiated to help meet the needs of the parties.

Worksheet: Exercise 1-4 Identifying Interests and Issues

CONFLICT: _____	
COUNTRY #1: _____	LEADER: _____
INTERESTS: _____	INTERESTS: _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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COUNTRY #2: _____	LEADER: _____
INTERESTS: _____	INTERESTS: _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ISSUES THAT COULD BE NEGOTIATED:

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Exercise 1-5 Three Arrows in Your Quiver

This exercise gives you the opportunity to think in broad terms about what is most important to you in life. Using the following table, list your interests (i.e., needs) in life. This should include physical, emotional, spiritual, and any other needs you may have. After identifying your interests, prioritize them, beginning with “1” for your highest priority in life, “2” for the next highest priority, etc.

Priority	Interest

Exercise 1-6 Freeze Frame/The Poker Face

Freeze! Don’t move! Seriously, keep breathing but don’t move any body parts. Take an inventory of your body. Are your muscles tense? Are your hands clenched, relaxed, or even trembling? Does your posture seem engaged and attentive, or overly relaxed? What is your facial expression? How are your hands positioned? Is your breathing deep or shallow and slow or rapid? Keep breathing and be aware of your body. Are you appropriately relaxed? If not, consciously let the muscles relax. If your hands are tense, put them on your lap or table with the palms down and flat. Let a small smile come to your face. Become aware of others around you. Do they seem relaxed? Are their hands clenched? Do their faces look tense or red? How is their posture?

This is an exercise that you will practice many times throughout this course as a way to become more aware of, and over time learn to control, the messages you are sending to others via your body language. It is most helpful to practice this in tense situations as that is when our nonverbal messages are most likely to be different than our verbal messages. While this practice may not completely eliminate the adrenaline rush of a near-accident, it will help you recover more quickly.

Your instructor may assign this as an out-of-class activity and have you record your observations for later discussion in class and/or periodically stop the class and have everyone quickly assess their body language.

Exercise 1-7 Negotiating Over Classroom Device Policy

By Kimberly McCarthy

Instructions:

In this exercise, you will be negotiating the terms of the electronic device policy for your classroom. The current policy is that no devices are allowed in the classroom. To prepare for your negotiation, think about the priorities and objectives of the instructor and why they most likely do not allow devices. Can you think of ways that having your device may actually be helpful to them? If so, how?

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