



BUSINESS NEGOTIATION ADVANCES

By

Koufopoulou Emm. Fotini

A THESIS REPORT

Presented to the Project Management Program in the
School of Management of
City University of Seattle

In Partial Fulfillment of the Requirements

For the Degree of

MASTER OF SCIENCE in PROJECT MANAGEMENT



June 2008



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June 2008

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Athens, June 2008

Koufopoulou Emm. Fotini

Biography

Koufopoulou Emm. Fotini

Fotini Emm. Koufopoulou, graduated from Finance and Accounting, of the Faculty of Technological Educational Institution of PIRAEUS T.E.I., in April 2004 and is a qualified Accountant.

After these studies she attended the Law School of Perpignan University in France. Furthermore, she has been attending the Faculty of English Studies in the National and Kapodistrian University of Athens.

She generally has a 15 years work experience in the Administration and Account Department of big companies. The company in which she has been working for the last five years in the Account Department is the Express Mail Service of the National Post Office.

During all these years, she had the chance to participate in various projects and come in contact with important Project Managers for the implementation of international projects.

Abstract

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This is a research about business negotiation advances. Its main purpose is to see, compare and contrast the traditional together with the very last negotiation processes.

In this study, we can discern a general overview of business negotiation procedures. Different and various methods followed for many decades have been observed. A model has been created to structure this discussion. The model consists of two major parts of constructs, including the traditional and the modern negotiation. The studies come across were classified in accordance with the form, and every faction of arrangements was examined.

Characteristics of the traditional negotiation framework in focus in present study comprise the negotiation process, steps in the process, preparations, communication and information sharing, making offers, tactics, negotiator behaviours during the negotiation, information exchange, bargaining and closing and commitment.

Variables describing the modern negotiation course of action incorporate the bottom of the form of the negotiation, the relationship building, the more thinking time we need which is beneficial, the negotiations development implemented on an international basis, the relationship among negotiators, the purchasing policy and fitting for purpose negotiation models. Finally, there has been studied the basic purchase consideration, the style we have to adopt during negotiation development, the negotiation medium and support systems, as well as the negotiation setting.

Furthermore, the report discusses about the avenues for upcoming research. It makes efforts to imitate or disagree with results from extant study. It is lastly recommended that attempts must be implemented to revise negotiations where they are not only be estimated as single incidents, but as part of series that occur both within recently formed and within established association.

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Chapter 1 - Introduction

It is generally believed that communication problems are based on “people’s characters”. We can distinguish disputants who may not talk to each other. When they address their observations to the adversary, they really address some outside audience. They make efforts to show off themselves perhaps in front of an audience. Secondly, there are comprehension problems when the involved parties do not listen to each other. Instead of trying to listen and being aware of the adversary, the involved parties may plan their reply or just remain to their own point of view. At last, even if parties listen and talk to each other, misapprehensions and misconceptions may take place. Negotiating about security means negotiating about stuff that people really wish for and require, not what they state that feel like or need. Usually, these are not alike. People tend to adopt excessive points of view which are designed to contradict their challenger’s viewpoints. If asked why they adopt that position, it is usually found out that the essential reasons--their true interests and needs--are actually well-suited, not reciprocally restricted.

By focusing on interests, disputing parties can more easily fulfil the third principle--invent options for mutual gain. This means negotiators should look for new solutions to the problem that will allow both sides to win, not just fight over the original positions which assume that for one side to win, the other side must lose.

The fourth rule is to insist on objective criteria for decisions. While not always available, if some outside, objective criteria for fairness can be found, this can greatly simplify the negotiation process. If union and management are struggling over a contract, they can look to see what other similar companies have agreed to

use as an outside objective criteria. If people are negotiating over the price of a car or a house, they can look at what similar houses or cars have sold for. This gives both sides more guidance as to what is "fair," and makes it hard to oppose offers in this range.

Nature of the Study

Given the definition, negotiation occurs in business, non-profit organizations, and government branches, legal proceedings, among nations and in personal situations such as marriage, divorce and parenting.

In considering fact-driven negotiation, the plight of the old-school negotiator comes to mind. The study makes it clear that analytical skills, a comprehensive understanding of the supply chain, and the causal relationships within it, are what will be considered a negotiator's most essential assets. Traits that have been seen as traditional negotiating strengths, such as a forceful personality and a knack for subtle manoeuvring, will suddenly become less important if factual data does not exist to substantiate the negotiator's position. And if we add points this will mean that we expand the pie.

Business negotiation support systems (NSS) are slowly entering the market, although they lack a clear theoretical basis as of yet. Negotiation is a complicated process with many aspects that have only partially been described with the formal rigidity needed to build support systems. Most theories about negotiation are descriptive and not prescriptive, which, among other things, prevents their use as a basis for negotiation support systems. Complicating matters is that a negotiation process consists of several distinct stages, each with its own characteristics.

Furthermore, there are many types of negotiations, depending on the domain. This suggests that we should not strive for one general negotiation support system, but for a set of domain-specific tools. To ground the development and application of these tools in different scenarios, the author proposes an integrated theoretical framework.

Companies must do mind their policies. They don't have to be gruff or combative to get their way in business. Sure, it works for some, but I'd take rational discussion over posturing any day.

It's been said that listening is the least expensive concession they can make. Don't interrupt. Concentrate. Empathize. "Seek first to understand, then to be understood," says author Stephen Covey. Ask questions that begin with "why" I'm amazed at how easy it can be to make a deal, once they find out what the other side wants. The reverse also holds. Their opponents are more likely to work with them if the reasons for their demands are clearly articulated.

When they do cut a great deal, don't rub the other side's nose in it, or brag so loudly that it gets back to them. Let them save face. If they need one, give them an excuse. Talk about how things have changed. Or point to some third-party standard of fairness. First-class negotiators get what they want and leave the other side feeling like a winner.

After they shake on it, they still want the other side to consider them as someone they'd like to work with again. A challenging opponent must bring this point home at the end of a particularly torturous negotiation. When it is over, he can stick out his hand, smile and say, "Closing is a beautiful thing." At first, the author was stunned, but I had to admit he was right. Did this remark make us best friends? Of course it did not. But it did clear the air, should we meet again.

Needs assessment

The buyer will ask a series of "what if" questions. What if we doubled the order? What if we cut the order in half? What if we made it a three year contract? What if we took this part out? What if we added this element?

Sometimes, the buyer really is interested in these options. However, it can also be a tactic. This can be a very good way to get an in depth insight into the seller's pricing structure since the seller must develop new prices and terms for each "what if."

The seller must be very careful as to how he answers the "what if" probes. He must make sure that all of answers are internally consistent and that do not reveal pricing structure information that he does not wish to share with the buyer.

It is very common in the negotiating process for the agreement to come together at the last minute. To the outside observer it may appear as though nothing is happening, and then all at once, at the 11th hour, an agreement materializes. This occurs in part because of the need for an early feeling-out process during which time no agreements is reached and in part because each side is waiting for the other side to make concessions first. Neither side sees a reason to concede until time pressures forces them to do so at the last minute.

Another pattern that is quite common is for the parties to reach agreement on some of the easier issues early on in the process while the remaining difficult issues are resolved at the last minute.

We must be aware of these patterns, we must be patient, and we don't have to assume that because they are reaching the end of the time available that there will be a deadlock.

The negotiating process involves some degree of bluff. In order to successfully carry out a bluff, it is important to focus on developing and using good acting skills. Furthermore, we must be aware that others may also be good actors and that everything that they perceive may not, in fact, reflect the true feelings or opinions of the other party.

Negotiation is actually a process of managing a series of short-term deadlocks. We declare a negotiation "deadlocked," however, when it appears that there is no reasonable expectation for enough further movement on either side to bridge the remaining gap between the parties. If, however, they determine that they still wish to see the negotiation continue, there are a number of steps that they can take to accomplish this. These include such things as changing issues, trying to find agreements in principle, caucusing, adjourning but not ending the negotiating session, bringing in other parties, developing new information, moving to a more informal setting, and many others.

Purpose of the study

The author's purpose is to describe the steps for conducting a simple evaluation of negotiation techniques. This will be designed to show both international concepts and content (declarative knowledge) and negotiation strategies and skills (procedural knowledge).

This is an era of dramatic change in international affairs. The author observes unprecedented examples of interdependence in the fields of environment, trade, economics, politics and security, for instance, alongside violent demonstrations of

nationalist, ethnic and religious divisiveness. These contradictory trends often seek resolution through the mechanism of international negotiation.

International negotiation and mediation have become a common form of international activity. They are the principal non-violent means by which both official and unofficial actors resolve or manage international disputes and search for mutually acceptable agreements that satisfy joint goals. While the practice of international negotiation has progressed, research also has expanded rapidly, as have the number of interested academic and practitioner communities. International Negotiation draws upon scholars from the fields of political science, history, law, sociology, psychology, anthropology, economics, public policy, mathematics, and business administration, among others. From the practitioner side, negotiators and mediators now hail not only from foreign ministries, but from all departments and agencies of government, as well as from a wide range of non-state organizations. The author seeks to involve and support all aspects of the very diverse audience.

The International Negotiation is occupied with the procedures of negotiations related to political, ethnic, security, environmental, economic, business, scientific, legal, and cultural matters and disagreements among nations, international and regional organizations, multinational corporations and other non-state actors. Conceptually, it confronts the difficult task of developing interdisciplinary theories and models of the process and how that process can lead to meaningful outcomes. Analytically, International Negotiation publishes a blend of rigorous original research studies, traditional historical and case approaches, and conceptual pieces that contribute to the expanding body of knowledge in the field. Overall, the author's practical objective is to identify, understand and explain effective and

efficient negotiation and mediation processes that yield long-lasting, flexible, and implementable outcomes.

The author believes that an effective way to address these procedures is to devote entire issues to the study of a particular problem. Thus, an effort must primarily be encouraged to focus on thematic issues so as to review the state-of-the-art on a selected topic, introduce original research, present new conceptualizations and approaches, and identify future directions for research. These thematic issues will seek to bring coherence and an integrated perspective to a particular subject. Researchers and practitioners will have to submit a brief prospectus for thematic issues that could be proposed to guest edit. The aim will be the excellence and originality and, so, there will be a submission of many opinions to peer review prior to acceptance.

We must not Believe Everything We See and Hear. Part of a good negotiator's ability is to learn to read people and situations very quickly. Nevertheless, when it gets down to negotiating, it is significant taking everything we see and hear with a grain of salt. Buyers are high-quality negotiators, and thus they are excellent actors. We have to be doubtful, disbelieving. We must test, investigate, and observe what happens.

The Bottom Line must not be offered Early in the Negotiation. How many times have we been asked to "give me our best price"? And have we ever given our best price only to find out that the buyer still wanted more? It is important to play the game. It's expected. If we could drop our price by 10%, we have to start out with 0%, or 2%, or 4%. We have to leave ourselves space to negotiate some more. Who

knows - we may get it for a 2% fall. We may be obliged to go all the way to 10%, but often we won't. A little persistence pays big shares.

We always Get Something in Return for our Added Value. What if we find out that the purchaser wants to be able to track his expenses for our goods or services in a way that is far more comprehensive and complex than is typical for our production? And what if our account trail system is set up in a way that we can supply that information at fundamentally no charge for us? Over and over again the salesperson's overpowering excitement is to skip in a say, "Oh, we can do that. That's no problem." Before we do, however, consider our alternatives. We could throw it in as part of the package and attempt to construct high-quality force. Or we might win a profound inhalation and attempt something like, "That's a hard trouble that will need some endeavor on our part, but it's achievable." In the following case, we've told the purchaser we definitely could do it, but we have not yet agreed to do it. We may not be able to get him to pay extra for it, but we may be able use it as a negotiating chip in opposing to price allowance. Which way we decide to go will depend on who our consumer is and on the circumstances. However, we do have alternatives.

We must Sell and Negotiate at the same time. We can think of selling and negotiating as two sides of the same coin. Sometimes one side is face up, and sometimes the other side, but they are always both there. This is particularly true in our earliest contacts with the buyer. The side the purchaser sees is that of a salesperson showing features and benefits. The hidden side is that of a negotiator probing and seeking out information that may be invaluable later should issues like price, terms, quality, delivery, etc. have to be negotiated.

Finally, and most important, we must have patience. Sales are a high energy, fast moving business. Patience is one commodity that is in relatively short supply, but if we're impatient in a negotiation, we'll lose everything. If we are negotiating with somebody and we know that he is impatient, we will wait just a little longer, no matter how desperate we are to make a deal with him. As long as we know he is in a hurry, we'll hold out. So we must be patient. We have to take the time that we need, we don't have to rush to give in, we don't have to show our anxiety, we must stay cool and we mustn't panic. Negotiation is a process and a game.

Use the process and play the game. We'll be astonished at the difference that it makes!

Tactics are always a very important part of the negotiating process. But they don't often jump up and down shouting "Here we are, look at us." If they did, the other side would see right through them and they would not be effective. More often than not they are subtle, it is difficult to identify and used for multiple purposes. A good example is the authority limits tactic.

The essence of authority limits is that the negotiator lacks the authority to conclude a final agreement - or claims that he or she lacks that authority. In fact, there are three possibilities.

The negotiator really does lack authority and will have to bring the proposed agreement back to the individual or group with the final authority.

The negotiator states that their authority is limited when in fact they could conclude the proposed agreement, or

The negotiator technically lacks the authority but knows that in all probability the "higher authority" will approve their recommendations.

There are many uses for the authority limit tactic. One of the most common uses is to obtain a delay without directly asking for one. In this way, the absent authority provides an opportunity for the negotiator to go back, think through the positions of each side, and evaluate the proposed agreement. The authority limit tactic can be used in a number of other ways as well. For example, occasionally negotiators will go back and check with the authority even though the negotiator knows that he can close the deal based on what the parties have agreed to so far. The negotiator might have been trying to show the other party that he "really went to bat for him" with the higher-ups. Alternatively he might be trying to indicate that it was hard to get approval and that the other party really can't hope for any more concessions in this negotiation.

Another use of the tactic is to obtain a "no" from the authority even when the negotiator could have said no them. The purpose here might be to reinforce and cement the refusal to make concessions. It might also be an attempt to make the negotiator appear to be the good guy and the organization or the higher-ups the bad guys. There are positions versus interests.

Purchasers occasionally use the authority limit tactic by delineating a range where they can make the deal and indicating that anything in excess of that amount requires lengthy review and approval. The salesperson might use the authority limit tactic by stating that he knew that the boss would reject the offer proposed by the buyer if it were just presented verbally. However, the boss "just might" approve it if it were presented in the form of a signed purchase order. We should always be concerned about the authority of the other party. Try to determine as early as possible their level of authority, or at least what they state to be their level of

authority. If their authority is limited, we can try to involve the decision maker. If this is not possible or we feel that it is tactically inappropriate, continue the negotiations with an acute awareness that the person we are dealing with either does not have, or says that he or she does not have, the final authority. One way to deal with this may be to use the person on the other side of the table as messenger, getting points agreed to by the person with authority step by step.

Finally, there are two caveats that apply to use of all negotiating tactics. Tactics usually carry with them some degree of risk or can backfire. For example, one of the most common counter-moves against the authority limit tactic is the end run, i.e., "If we can't make the decision, let us talk to the person who can." Second, never follow a tactic or policy that we are uncomfortable with or that we think it is the appropriate. But always strive to recognize tactics and understand how they work so that we can respond effectively when they are used against us.

After all, the author's main purpose is to expose all trends, older and newer ones. In this way, the businessmen who are interested in will have the chance to see as many as possible alternatives in negotiation process so as they apply the each time best possible.

Employment position

The use of the term interactive problem solving as a metaphor for negotiation implies that conflicting parties have a shared problem - essentially a problem in their relationship - which needs to be solved by addressing the underlying causes and the dynamics of the conflict in an interactive process. The term has been used to describe an unofficial third-party approach to conflict resolution, which typically

brings together influential representatives of two parties in conflict for direct communication in problem-solving workshops. The author with the present study draws on the experiences from this micro-process to develop a framework for the macro-process of negotiation. Within this framework, she describes the ultimate goal of negotiation as transformation of the relationship between the parties, which requires an agreement that addresses the fundamental needs and fears of both parties on a basis of reciprocity. There are four components of negotiation - identification and analysis of the problem, joint shaping of ideas for solution, influencing the other side, and creating a supportive political environment - and procedures that the metaphor of interactive problem solving suggests for each. Finally, the author believes it is important to identify vehicles for integrating the perspective of interactive problem solving into the larger negotiation process.

The face of interpersonal conflict continues to shift toward a predominance of internal conflicts between or among contending groups within the company in which the author works. New conceptual tools and expanded methods of conflict resolution are required to address these destructive groups within workplace. New conceptual tools and expanded methods of conflict resolution are required to address this destructive phenomenon. The problem-solving workshop, which can serve useful pre-negotiation functions, is joined with a variety of innovative interventions in dialogue, reconciliation and conflict resolution training. A broad definition of interactive conflict resolution goes beyond problem-solving workshops to include all forms of facilitated, face-to-face activities in communication, training, education or consultation that promote collaborative conflict analysis and peace building among influential members of groups in protracted conflict. The history and rationale of

training in conflict resolution is to be found largely in the development and expression of human relations training and more recently in the growth of training in negotiation and mediation skills. This is also the case in my company. Conflict resolution training can be seen as having a unique inter group focus, and as embodying both generic and focused objectives, the former relating to enhanced capacities of participants to manage conflict effectively, and the latter involving increased understanding of the other group and the creation of mutual ideas for peace building. Thus, there is training as interactive conflict. This involves increased understanding of the other group and the creation of mutual ideas for peace building. Thus, training as interactive conflict resolution often involves generic activities to impart concepts and skills as well as focused experiences to induce inter group understanding and cooperation. While directed toward laudable goals, this powerful form of training raises some important pragmatic and ethical issues that need to be managed carefully. In my company, we try to keep the Bargaining Range always positive.

Relation to the Program of Study

During PM 509 (the Legal Environment), the author found very much important the points to consider about Negotiating Agreements.

There were mentioned the following very helpful information in this matter understanding:

Negotiation is a fact of life. It is a basic means of getting what we want from others. There exists “the wise agreement” (if agreement is possible). It does happen when it:

- meets the legitimate interests of each side to the extent possible,
- resolves conflicting interests fairly,
- is durable,
- takes community interests into account.

There must be mentioned some Standard Negotiation Strategies:

A soft negotiator

- Wants to avoid personal conflict
- Makes concessions readily in order to reach agreement
- He/she wants an amicable resolution

Result: he/she ends up exploited and feeling bitter

A hard negotiator:

- Wants to win
- He/she takes the more extreme position and tries to hold out longer in order to get as more as he can moving further from his reservation point.

Result: he/she (often) ends up producing an equally hard response which exhausts him/her or harms his/her relationship with the other side

Other strategies:

Fall between hard and soft

Conclusion: Standard strategies for negotiation often leave people dissatisfied, worn out or alienated (or all three).

Problems which arise while using the standard strategies of positional bargaining whatever a negotiation may concern, each side takes a position, argues for it and makes concessions to reach a compromise. To be more accurate each side successively takes and then gives up a sequence of positions.

Advantages of positional bargaining:

- it tells the other side what the company wants
- it provides an anchor in an uncertain and pressured situation
- it can eventually produce the terms of an acceptable agreement.

Drawbacks:

- agreement produced is unwise:

(hard positional bargaining:) negotiator is locked into his/her position: “the more he/she clarifies his/her position and defends it against attack, the more committed he/she becomes to it – he/she may have an interest in “saving face”. As more attention is paid to positions, less attention is devoted to meeting the underlying concerns of the parties. Any agreement reached may reflect a mechanical splitting of the difference between final positions rather than a solution carefully crafted to meet the legitimate interests of the parties. Thus, the result is frequently an agreement less satisfactory to each side than it could have been.

- agreement produced is inefficient:

(hard positional bargaining:) each party tries to improve the chance that any settlement reached is favorable to it, by starting with an extreme position, by stubbornly holding to it, by deceiving the other party as to his/her true views and by making small concessions only as necessary to keep the negotiation going – this takes a lot of time and effort and the risk that no agreement will be reached at all increases.

- positional bargaining endangers an ongoing relationship:

(hard positional bargaining:) it becomes a contest of will resulting anger and resentment as one side sees itself bending to the rigid will of the other while its own legitimate concerns go unaddressed.

- Positional bargaining is even worse when there are many parties negotiating:

(hard positional bargaining) reciprocal concessions are difficult – if some of the parties develop and agree upon a position (coalition) it becomes much harder to change it.

(soft positional bargaining:) it emphasizes the importance of building and maintaining a relationship. The process tends to be efficient, at least to the extent of producing results quickly. As each part competes with the other in being more generous and more forthcoming, an agreement becomes highly likely. But it may not be a wise one. Any negotiation primarily concerned with the relationship runs the risk of producing a

sloppy agreement. Further, if the one part pursues a soft and friendly form of positional bargaining while the other plays a hard game of positional bargaining the agreement reached will be more favorable to the hard positional bargainer who dominates the soft one (the soft bargainer yields in order to avoid confrontation).

Definition of terms

Reservation Point	The point at which the Best Alternative to a Negotiated Agreement (the BATNA) becomes preferable to starting or continuing a negotiation. In a sale - or in any negotiation - this is the point beyond which a party will not go.
Bargaining Range	The distance between the reservation points of the parties. This range can be positive or negative. If it is negative there will be no settlement unless one or both the parties changes reservation points.

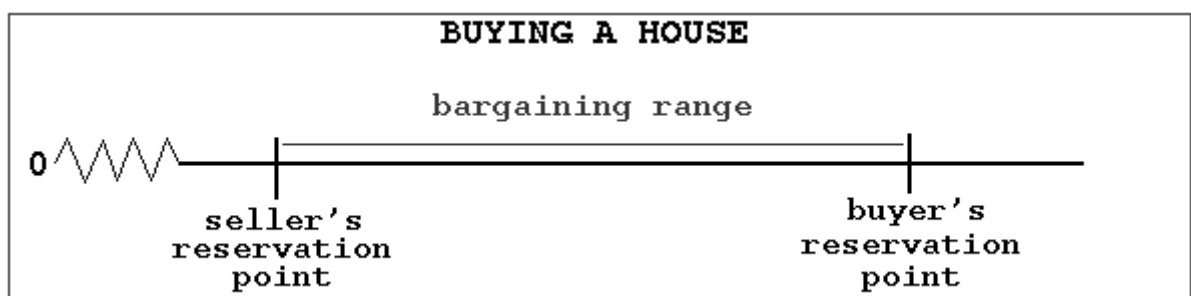


Figure 1: The bargaining range

Expanding the Pie	<p>The process of adding elements to a negotiation which help one or both sides to gain more - a result from making negotiations more integrative. These are usually elements which are valued differently by each party and often they have the characteristic that one side will gain a little, give up nothing or suffer only a small loss in return for a great gain to the other. These elements can usually be added to almost any negotiation no matter how distributive the negotiation first appears to be.</p>
Positions vs. Interests	<p>A position is what we say we want or must have. Positional bargaining is usually distributive - and may be inefficient in the sense that value may be left on the table at the time of settlement because each party did not know what the other really wanted - but it may help one party gain more short-term profit. An interest is both an objective or need and reasons why we want what we want. Interest-based bargaining adds integrative potential.</p>

Chapter 2 - Problem Statement

Problem statement

There is not a clear understanding of any specific advances that have been made in business negotiation in the past five years. The researches results paint an optimistic picture for parties seeking facts in the negotiation process and a dire one for negotiators unable to navigate the changes that technological advances have brought to 21st century commerce.

In 1998, the National Association of Purchasing Management (NAPM), the Centre for Advanced Purchasing Studies (CAPS), A.T. Kearney, Arizona State University, and Michigan State University, conducted a study on where purchasing and supply is headed over the next 5 and 10 years. The study forecasted that technological advancements, in the field of benchmarks, will soon create an environment that encourages organizations to share information and therefore make negotiations based strictly on data. The future the study depicts is a far cry from the traditional view of the negotiating process as a haggling session in which business counterparts try to out-intimidate each other to gain leverage. To put it simply, the future of negotiation will be fact-driven.

As documents and information become readily shared via the Internet, negotiating itself will become less of an issue. As opposed to "negotiating" in the true sense of the word, parties will instead concentrate their energies on analyzing relevant information and making the decisions that most clearly benefit the overall business relationship. When measurable price, benchmarks, and contract objectives are matters of universal knowledge, the data itself becomes the focus. The more data

that is available, the study suggests, the less likely either party will be unhappy with the outcome.

Rationale

Because many businesses are still using older, established processes for business negotiation, it would be helpful for them to understand if any new ideas have been proposed, if any new trends have emerged, and what the differences between established practices and new practices are.

Effective negotiation helps businesses to resolve situations where what businesses want conflicts with what someone else wants. The aim of win-win negotiation is to find a solution that is acceptable to both parties, and leaves both parties feeling that they've won, in some way, after the event.

There are different styles of negotiation, depending on circumstances.

Where businesses do not expect to deal with people ever again and they do not need their goodwill, then it may be appropriate to "play hardball", seeking to win a negotiation while the other person loses out. Many people go through this when they buy so nothing really valuable.

Similarly, where there is a great deal at stake in a negotiation, then it may be necessary to prepare in detail and legitimate "gamesmanship" to gain advantage. Anyone who has been involved with large sales negotiations will be familiar with this.

Neither of these approaches is generally much good for resolving disputes with people with whom businesses have an ongoing relationship: If one person plays hardball, then this disadvantages the other person – this may, quite fairly, lead to

reprisal later. Similarly, using tricks and manipulation during a negotiation can undermine trust and damage teamwork. While a manipulative person may not get caught out if negotiation is infrequent, this is not the case when people work together on a daily basis. In such a case, honesty and openness are almost always the best policies.

Preparing for a successful negotiation. Depending on the scale of the disagreement, some preparation may be appropriate for conducting a successful negotiation.

For small disagreements, excessive preparation can be counter-productive because it is time consuming while it is better to be used elsewhere. It can also be seen as manipulative because, just as it strengthens businesses position, it can weaken the other party's.

However, if businesses need to resolve a major disagreement, then the managers must be sure they are thoroughly prepared. They have to think through the following points before they start negotiating:

- Goals: what do they want to get out of the negotiation? What do they think the other person wants?
- Trades: What do they and the other person have that they can deal on? What do they each have that the other wants? What are they each comfortable giving away?
- Alternatives: if they don't reach agreement with the other person, what alternatives do they have? Are these good or bad? How much does it matter if they do not reach agreement? Does failure to reach

an agreement cut them out of future opportunities? What alternatives might the other person have?

- Relationships: what is the history of the relationship? Could or should this history impact the negotiation? Will there be any hidden issues that may influence the negotiation? How will they handle these?
- Expected outcomes: what outcome will people be expecting from this negotiation? What has the outcome been in the past, and what precedents have been set?
- The consequences: what are the consequences for them of winning or losing this negotiation? What are the consequences for the other person?
- Power: who has what power in the relationship? Who controls resources? Who stands to lose the most if agreement isn't reached? What power does the other person have to deliver what they hope for?
- Possible solutions: based on all of the considerations, what possible compromises might there be?

Style is critical. If a negotiation is 'win-win', both parties should feel positive about the negotiation once it's over. This helps people keep good working relationships afterwards. This governs the style of the negotiation – histrionics and displays of emotion are clearly inappropriate because they undermine the rational basis of the negotiation and because they bring a manipulative aspect to them.

Despite this, emotion can be an important issue of discussion because people's sentimental needs must fairly be met. If emotion is not discussed where it needs to be, then the agreement reached can be unsatisfactory and temporary. We must be as detached as possible when discussing their emotions. We will perhaps discuss them as if they belong to someone else.

Negotiating successfully. The negotiation itself is a careful exploration of their position and the other person's position, with the aim of finding a mutually acceptable compromise that gives them both as much of what they want as possible. People's positions are rarely as fundamentally opposed as they may initially appear - the other person may have very different goals from the ones they expect!

In an ideal situation, they will find that the other person wants what they are prepared to trade, and that they are prepared to give what the other person wants. If this is not the case and one person must give way, then it is fair for this person to try to negotiate some form of compensation for doing so – the scale of this compensation will often depend on many factors. Ultimately, both sides should feel comfortable with the final solution if the agreement is to be considered win-win.

Only consider win-lose negotiation if they don't need to have an ongoing rapport with the new party as, having misplaced, they are improbable to wish for working with them again in the future. Uniformly, they should look ahead to that if they want to fulfill some element of an agreement in which they have "won," they may be unhelpful and legalistic about the way they do this.

Hypothesis / Objectives

There are new tendencies that have appeared in latest texts on business conciliation and a substance study of the main works that have been created in the precedent 5 years will create a functional guidance file that will demonstrate these inclinations and how the field of business negotiation has altered in considerable conducts.

Generally speaking, negotiation is an interface of powers. Such interactions, for instance, comprise the development of resolving disagreements, agreeing upon courses of action, dealing for private or cooperative benefit, or method results to fulfill various well beings. Negotiation is as a consequence a structure of substitute difference of opinion analysis.

Negotiation engages two indispensable fundamentals: the course of action and the essence. The development refers to how the parties talk: the perspective of the discussions, the parties to the negotiations, the relationships among these parties, the contact connecting these parties, the strategies used by the parties, and the progression and stages in which all of these play out. The material, however, refers to what the parties bargain over: the agenda, the issues, the choices, and the agreement(s) reached at the end.

Alternative dispute resolution. Negotiation is one of three most important techniques of substitute disagreement resolution, characteristically confirmed by trained mediator acting on behalf of a particular association or place. Contrast this to conciliation where a unbiased third party listen to each side's arguments and attempts to help craft an agreement between the parties. Lastly, arbitration is similar to a legal proceeding, whereby both sides make an argument as to the merits of their

"case" and then the arbitrator decides the outcome both parties should following (non-binding arbitration) or must follow (binding arbitration).

Traditional negotiating is from time to time called win-lose because of the assumption of a fixed "pie", that one person's gain results in another person's loss. This is only true, however, if only a single issue needs to be resolved, such as a price in a simple sales negotiation. If numerous issues are discussed, differences in the parties' preferences make win-win negotiation possible. For instance, in a work negotiation, the combination might desire job safety over earnings gains. If the owners have contradictory inclinations, an employment is potential that is valuable mutually to the two parties. Such a cooperation is consequently not an adversarial zero-sum game.

For the duration of the near the beginning part of the twentieth century, scholars such as Mary Parker Follett developed initiatives suggesting that accord time and again can be reached if parties gaze not at their stated positions but rather at their underlying benefits and necessities. At some stage in the 1960s, Gerard I. Nierenberg acknowledged the function of negotiation in determining disputes in individual, industrial and worldwide relationships. He issued *The Art of Negotiation*, where he affirms that the philosophies of the negotiators settle on the course a compromise takes. His *Everybody Wins* viewpoint assures that all parties take advantage from the negotiation progression which also produces more victorious effects than the adversarial "winner takes all" advance.

In the 1970s, practitioners and investigators began to expand win-win approaches to negotiation. *Getting to YES* was available by Roger Fisher and William Ury as part of the Harvard negotiation project. The book's approach,

referred to as Principled Negotiation, is also sometimes called mutual gains bargaining. The joint gains move toward has been successfully applied in ecological positions over and above work relations where the parties (e.g. management and a labor union) border the negotiation as "problem solving".

The advocate's approach. In the advocacy approach, a skilled negotiator usually serves as advocate for one party to the negotiation and attempts to obtain the most encouraging outcomes likely for that party. In this progression the negotiator attempts to establish the least outcome(s) the other party is (or parties are) eager for acceptance, afterward hence adjusts their demands. A "triumphant" negotiation in the encouragement advance is when the delegate is able to get hold of all or most of the effects their party desires, but without driving the other party to lastingly break off negotiations, but for the BATNA is satisfactory.

Chapter 3 Review of Literature

An established hypothesis on business negotiation holding up is not yet present. On the one hand, there are quite a lot of non specific negotiation suppositions, drawing from such varied fields as quarrel solving, game and decision hypothesis, and still educational anthropology. Essential assistances have been completed by Raiffa (1982) on decision-theoretic problems, Fisher and Ury (1981) on how to use win-win strategies, and Mastenbroek (1989) on expressive aspects, among others. Nonetheless, these theories do not satisfactorily meet the necessities for a functional business negotiation theory that can be used as a basis for negotiation support systems (NSS). This need is becoming progressively clearer as investigation on e-commerce progresses. A comprehensive theory is needed, in which elements from these generic negotiation theories are located in an incorporated business construction. Robinson and Volkov (1998) have examined this intention with their structure for following the negotiation life cycle. Still, their work does not speak to significant issues. We, for that reason, will also refer to other theories that suggest supplementary ideas appropriate to business negotiation bear models, with the aim of generating some high-level mixture. There are abundant definitions of *negotiation*; here are provided three characteristic examples. Gulliver (1979: 79) defines negotiation as a process in the public domain in which two parties, with followers of an assortment of kinds, try to reach a joint decision on issues under difference of opinion. Robinson and Volkov (1998) view negotiation as a course of action, in which contributors bring their goals to a good dealing table, purposefully allocate information, and seek for substitutes that are reciprocally

advantageous. According to Putnam and Roloff (1992), negotiation is a extraordinary type of contact that centres on perceived incompatibilities and focuses on reaching commonly tolerable agreements.

Even though these descriptions hold opposing views in their details, they share a quantity of frequent elements: in negotiation (1) there are two or more mutually dependent partakers, (2) each of whom has some individual goals that may be to some extent unable to get along. In some figure of (3) process, (4) alternatives are examined (5) with the reason of agreeing upon one of them.

This designation is also relevant to commercial negotiation. We do not desire to go as far as Gulliver, who sees differences of opinion as the motivating strength of discussions. Relatively, we are mainly fascinated in the kind of negotiations concerning some varieties of joint trade of supplies, services, and funds. The forceful strength at the rear of these negotiations is a intentional assistance between two or more business partners who would like to discover possible business occasions that might give rise to a pact clearly formalizing shared responsibilities. Note that this specific kind of business negotiation concentrates on commerce. Other categories of business negotiations are believable, such as amalgamation or labour administration negotiations. From time to time the negotiations are political in natural world. Conversely, we consider that a centre of attention on trade is significant, as trades include the huge mainstream of business dealings.

Traditional negotiation

The negotiation process. The negotiation process as such is in focus in much of negotiation exploration. Several researchers look at the process, signifying that it is made up of diverse steps. Other researchers focus on specific steps in the process, such as the preparation phase, contact and exchange of information, and making offers. Other studies are concerned with negotiation strategies or other behaviours in the negotiation process. On occasion results are also connected to negotiation conclusions.

Steps in the process. The steps in the negotiation process are described in different ways by dissimilar instigators. No less than three steps are conventionally identified, as well as (1) planning or training, (2) negotiation, bargaining, contact etc, and (3) striking a contract. Some scholars suggest other steps, such as relational positioning, identifying the problem, engendering solutions, and reaching agreement.

Piece of writing have also come into view that to some extent try to move away from conventional was of unfolding negotiations as processes of in order phases, focusing on, e.g., "critical moments" in negotiations that can generate divergence alteration. Another term used is "turns" (i.e. actions taken in response to tactical progresses) in negotiations as a way to move out of a protective location of as a way to employ the other party in partnership. Turns comprise e.g. interrupting, correcting, questioning, naming and diverting. "Moves" is yet another idiom, e.g.

used by Stuart (2004) who suggests that all parties can potentially benefit from surprising moves by one of the parties.

Another way of looking at the negotiation is as a process of problem description, information processes and condition framing. Problem definition is vital for how problems are apparent, information processes are decisive for what information is used as basis for decision making and circumstances framing is central for how people proceed in certain situations. All these factors force whether a win-win or win-lose advance is taken to negotiations. E.g., information exchange and fixation with innovative goals guide to win-lose negotiations.

One tentative revision seemed as behaviours in different phases of the negotiation. It was established that early in the negotiation process, concessionary cues and refusal responses signalled suppleness and tested the bargaining zone, later in the process they were used to reach a contract. It was also found that, as the negotiation proceeded, negotiators became less enthusiastic to admit the other side's points of view, indicating that limits of the negotiation were typically set early on. Distributive conclusions were characterised by not as much of precedence information substitute and more positional information exchange, while the conflicting was factual for integrative outcomes.

The idea of distributive and integrative negotiations is thus an essential one in negotiation research. Sometimes these are treated as phases in the same negotiation. E.g., Olekalns et al. (2003) investigates patterns of communication in multi-party, multi-issue negotiations. Negotiations tended to commence with a distributive stage and end with an integrative stage. Those that did not pursue this model tended not to reach an agreement. End and process disturbances shifted

negotiations from a distributive to integrative direction. Other studies consider distributive and integrative negotiations as definitely dissimilar types of negotiations. Quite habitually, the subsequent type of negotiation is even considered the “dependent relative variable” in a study, i.e. a study’s outcome variable, and features leading to either integrative or distributive negotiations are in focal point. In yet previous studies, the form of negotiation (i.e. integrative or distributive) yield certain outcomes. The subject of negotiation form is, accordingly, a compound one.

Arrangements. The arrangement phase is extensively supposed to be the first movement in a negotiation process. Diverse scholars have different things to say about this phase. Sussman (1999) argues that convincing negotiations require that the negotiation message is appropriately framed and that this requires some preparation. There are four steps in creating such a frame, including influential your own objectives, doing a SWOT analysis of the other party's state, determining the other party's core values, and writing a simple statement connecting the other three aspects. Along similar lines, Fells (1996) found this not to be very ordinary way, noting that negotiators tended to circumspectly regard as what they wanted to realize, but not how they were to achieve it.

One part of practising for negotiations is developing a BATNA, or “best option to negotiated accord”. I.e., before the interface stage begins, negotiators should settle on what substitutes they have if the negotiation does not end in a adequate outcome. It has been found, though, that the benefits of possessing a greater BATNA reduce as the bargaining region grows. I.e., the more constricted the good dealing sector, the greater the significance of developing a BATNA.

Communication and information sharing. Some revisions look at the process of communication, often with a focus on information sharing, which goes on all the way through a negotiation. For example, Brett et al. (1998) found that the more controversial the communication, the more one-sided distributive ending were reached, this also being the case when the more debatable communication was joint. Non-reciprocation broke the twisting, despite the fact that, as did either side unambiguously stating that they perceived the negotiation to be non-prolific. Another experimental study found that negotiators reciprocated integrating, settling and dominating behaviours, but also exhibited harmonizing reactions to dominating and yielding behaviours. On the whole, nevertheless, parties adopted a line of attack alike to the one observed in the other party. More precisely, e.g. gratitude increased yielding behaviour, while pride-achievement had the contradictory end product. Annoyance predicted dominating performance. The authors consequently argue that effective negotiators must strive to manage the type of sentiments felt and displayed in negotiations.

Butler (1999) addressed the issue of negotiation usefulness and information sharing. It was obviously found that efficiency was associated with amount of information shared and the time to reach solution decreased as information increased. Buyers financial cost also increased as information increased, still, which was contrary to potentials. Others have also found that information exchange has significant properties for negotiation process and outcomes, while van Bove et al. (2003) set up that negotiators who were trying to express information often overvalued the other party's aptitude to differentiate information.

Making offers. Making offers and counteroffers is an important part of negotiating, which is also accepted in negotiation research, where a extensive number of studies address this subject.

The importance of the first offer is shown to by many scholars. For example van Poucke and Buelens (2002) found that 57 percent of discrepancy in negotiation outcomes could be explained by buyers' and sellers' planned initial offers. In another tentative study it was found that the party that made the first offer (regardless whether he or she was the vendor or purchaser) achieved the best outcome. However, the focal point on the other party's reluctance price, one's own goal price or other party's alternative to negotiation negated effects of making the initial offer. Another study found that sellers' preceding acquisition price affects not only the buyers' and sellers' offers and prospects, but also the final outcome. Yet another investigational study found that high hesitation educed high first offers, increased duration and impeded negotiation efficiency. Higher reservation prices decreased length, increased negotiation competence, and raised mutual benefits.

Most of the studies in this layer look as distributive negotiations, using negotiations writings in experimentations that are actually moderately unsophisticated. Moran and Ritov (2002) focused on the probable part of first offers in developing integrative agreements. They were not capable to state that log-rolling (i.e. acknowledgments on low precedence issues in exchange for gains on more essential matters) offers were judged more attractive than distributive offers or implied a message of cooperation, or that logrolling offers were more likely to promote greater understanding of mutual interests (i.e. affect fixed pie

presumptions). They did find, however, that logrolling offers established within-issue anchors, i.e. logrolling offers affected counter-offers (beyond effects of initial values).

Anchoring is thus an important aspect of negotiations, setting the stage for offers and counteroffers. Kristensen and Gärling (1997) found that anchor points (i.e. seller's initial offer) and reference points (reservation price) jointly influence counteroffers. When buyers perceived the initial offer as a gain rather than as a loss, they bought at a higher price, there were fewer offers and fewer impasses. In a later article they (2000) noted that counteroffers were higher for a high rather than low anchor point (seller's initial offer), but also higher for a high reference point when the anchor point was perceived as a gain compared to a low reference point when the anchor point was perceived as a loss. Galinsky et al. (2002) found that focusing on target price (i.e. ideal outcomes) leads to objectively superior performance than focusing on lower bound (reservation price). Interestingly, subjective (i.e. perceived) outcomes were lower, though. The type of transaction also impacts first offers. In confined dealings, Blount et al. (1996) found that background cues determined the coverage to which market information versus hesitation values influenced outcomes. When negotiators believed that there was little difference in market price, market information influenced outcomes more than personal reservation values.

Effects of attaching points in experiments may not provide an entirely honest picture of real life situations, nevertheless. Rather than using increasing earnings schedules, Ritov (1996) studied the effect of reversed payoff schedules (i.e. a payoff lists starting with the lowest profit level). Under such circumstances, the advantage of the buyer often observed in previous research was inverted. It was also found that

offers made by negotiators with decreasing profit schedules were higher than those made by negotiators with increasing profit schedules.

Counteroffers as the negotiation proceeds are also important. Kwon and Weingart (2004) argue that the timing of the other party's concessions (immediate, gradual, and delayed) and justifications for concessions (negotiator skills or external constraints) force negotiator satisfaction. Their investigational findings point out those late concessions led to higher fulfilment than immediate concessions, although the uppermost contentment was described for ongoing concessions. When concessions were made right away by sellers, buyers were likely to attribute this to the worth of the object being low, rather than believing any statements regarding the buyer's intercession abilities.

Tactics. Negotiation tactics were much in focus in the negotiation creative writing a few decades ago. Today they are stressed less and less, although a few articles have here been found dealing explicitly with negotiation tactics.

One study focused on the influence of strategically displaying emotions and what upshot this has on negotiation outcomes. Negotiators displaying optimistic sentiments were more likely than those displaying negative or neutral emotions to integrate a prospective business relationship as part of the outcome of the negotiation, and were more expected to close the deal. Negotiators also made more great demands when faced with a negotiator displaying unenthusiastic emotions, while displaying constructive emotions was more likely to result in the other party making compromises.

Yet a further study addressed the renowned good-cop/bad-cop tactic. It was found that employing this policy in reality led to greater likelihood of offers being accepted, even though only in the long-established order, i.e. starting with the “bad cop” and following up with the “good cop”.

Sinaceur and Neale (2005) studied timing and implicitness of threats in negotiations as a way of influencing the other party's reaction. The types of pressures that elicited the greatest concessions were those that were early and inherent or late and explicit. Premature and explicit, and late and implicit fears were less effectual in eliciting concessions.

There are also less disputed tactics (or strategies discussed) in the literature. E.g., Butler (1996) presents two strategies for integrative negotiations, logrolling and bridging. Logrolling is when each party surrenders lesser significant interests to get hold of more central outcomes. Bridging entails redefining preliminary positions.

Negotiator behaviours during the negotiation. In addition to negotiation tactics, there are other kinds of behaviours exhibited all through negotiations that have interested academics.

Vurolela (2005) studied the use of humour in negotiations. It was found that interior negotiations featured more use of humour than client (i.e. external, here global) negotiations. The most common objects of humour were nationwide characteristics, the plan itself and the business deeds. Incongruous terms and jokes expressing strangeness were the most widespread types of jokes. Irony was used more vigilantly in client negotiations than in internal meetings, though. Joking was

also attached to authority, both regarding who made jokes and whose jokes were laughed at.

Use of alcohol in connection with negotiations is the topic of an article by Schweitzer and Kerr (2000). They noted that intoxicated negotiators used more hostile tactics than those who were sober. The former were also more likely to insult, deceive and terrorize the other party. The writers consequently quarrel that consuming alcohol increases the risks of making mistakes and lessens chances of integrative solutions, the latter partly because inebriated negotiators are less likely to see the other party's standpoint. Inebriate negotiators are, thus, less well-organized as negotiators, all as indicated by their study. Alcohol also serves to increase the self-confidence of negotiators, making them suppose that they are more efficient than they are. Sober negotiators did very inadequately when negotiating with someone who was drunk, nevertheless.

Lying is another type of behaviour actually regular to negotiations. Aquino and Becker (2005) found this to lead to distress, but people use different neutralisation strategies to manage this distress. When people felt high levels of suffering, one approach was to reject that they were lying (i.e., there was a connection between suffering and contradiction). The environment of the establishment and the consequences of lying impacted the level of minimization of the lie, though. Liars, however, engaged in less minimisation than those who merely covered information. Burr (2001) argues for candour in negotiations, which, if reciprocated, builds trust and increases the efficiency of business-related negotiations. Similarly, Cohen (2002) argues that ethical behaviour (regarding

deception, disclosure, fairness and fidelity) on behalf of negotiators is not self-sacrificing, since it usually prompts the other party's cooperation.

Other types of activities have also been studied in regard to negotiations. Gimenez (2000) studied how negotiators keep track of what goes on during negotiations and set up that most negotiators organize in writing, take notes during the negotiation, and write down synopsis of outcomes.

This paper determines the contemporary position of research on the interpersonal effects of emotions in conflict and negotiation. There is a great variety of emotions, such as anger, contentment, fault, regret, disappointment, and worry, which have all-encompassing effects on negotiation behaviour and disagreement development. However, it is revealed that some inconsistent findings, especially with regard to the contact of anger and pleasure on teamwork and contest. To recognize these clear inconsistencies, the author uses a form of the interpersonal effects of emotions in conflict and negotiation - the Emotions as Social Information (EASI) model. The EASI model posits that emotions may bring to bear interpersonal influence via two separate paths - an informational-strategic path and an affective - relational pathway. Conduct is proposed to depend on the relative strength of these two routes, which is in turn determined by individuals' information processing tendencies and a quantity of situational characteristics, which are also discussed.

In his research into the use of dissimilar contact media in negotiation, Michael Morris of Stanford University found that the psychology of trust was the most important issue that determined whether a particular media would make a encouraging involvement to a negotiation. He found that even though most experienced negotiators strongly emphasise the importance of rapport - shared

positive feeling and consideration – few paid attention to it, as it is hard to measure. Not to be disheartened by the unwillingness of his colleagues, he developed ways of estimating understanding in negotiations, and found that the non spoken emotional signs that are in attendance in face - to - face negotiations result in higher levels of rapport than in the case of telephone.

It is very important to bear seriously in mind that the science of influence uses six principles of persuasion to negotiate and mediate more effectively:

- Liking: People are more easily influenced by those they like
- Power: People are more straightforwardly influenced by those they recognize to be lawful authorities.
- Scarceness: items and chances become more attractive as they less easy to get to.
- Consistency: People have a strong desire to be consistent with their previous opinions, assertions, and actions.
- Reciprocity: People give back what an additional has given them.
- Social proof: People often make a decision on what to do by looking at what comparable others have done.

(Rober B. Cialdini, Rosell L. Wissier and Nicholas J. Schwetzer)

Furthermore, there are six principles of interpersonal leadership. Hereunder there are Paradigms of Human Interaction:

- Win/Win
- Lose/Lose

- Win/Lose
- Win
- Lose/Win
- Win/Win or No Deal

Win/Win

- Agreements or solutions are mutually beneficial
- A belief in the Third Alternative -- a *better* way

Win/Lose

- Use of position, power, credentials, possessions or personality to get one's way.
- The win/lose mentality is dysfunctional to interdependence.

Lose/Win

- Lose/Win people are quick to please or appease.
- Capitulation -- giving in or giving up.

Note. Many executives, managers and parents oscillate between Win/Lose and Lose/WIN.

Lose/Lose

- Result of encounters between two Win/Lose individuals.
- Also the philosophy of highly dependent people.

Win

- Win at all costs. Other people don't matter.
- The most common approach in everyday negotiation.

Which Option is Best?

- Most situations are part of an interdependent reality.
- Win/Win solutions are synergistic.

Win/Win or No Deal

- If we can't find a solution that would benefit both parties, we agree to disagree.
- Most realistic at the beginning of a relationship or enterprise.

Five Dimensions of Win/Win

- Character. The foundation of Win/Win
 - Integrity. The value we place on ourselves.
 - Maturity. The balance between courage and consideration.
 - Abundance Mentality. There is plenty out there for everybody.
- Relationships. Courtesy, respect and appreciation for the other person and his point of view.
- Agreements. Cover a wide scope of interdependent action.
 - Desired results
 - Guidelines

- Resources
- Accountability
- Consequences
- Supportive Systems. Reward systems must reflect the values of the mission statement.
- Processes. The route to Win/Win:
 - See the problem from another point of view.
 - Identify the key issues and concerns involved.
 - Determine what results would constitute a fully acceptable solution.
 - Identify possible new options to achieve those results.
 - Lose/Lose (all parties lose)
 - Win/Lose (I win and you lose)
 - Lose/Win (I lose and you win)
 - Win/Win (we both win, but this could also be described as compromise)
 - Win More/Win More (we maximize our shared resources by being collaborative)

Although the author admits the notion that a win/win perspective is the only realistic means to achieve a measure of competitive advantage in the marketplace, it is equally important that this approach is applied in a sensible manner in today's global marketplace. It would be near viewed to assume that all negotiated agreements are reciprocally even-handed and ought to be undertaken on a reliable foundation. It would be like suggesting that an exacting nation's civilization &

viewpoints define our connotation of culture and that only the standards of these explicit traditions should be used in connecting with people all the way through the world, despite the consequences of their relevant surroundings.

There is another characteristic of commercial negotiations that is equally vital - the old profitable predicament of 'guns or butter'. The 'guns or butter' story makes known that when resources are limited, organisations and individuals must make firm choices. If they want to have more butter, then they have to sacrifice some guns and vice versa. In actuality, resources can only be shared as they relate to their premeditated significance at that specific moment. Any negotiations that are of strategic importance to the organisation will likely prompt us to take a collaborative or compromising advance. Likewise, when we believe that certain negotiations will have a limited impact or no impact at all on our strategic objectives, we might decide to turn into competitive in our approach or even to completely steer clear of the negotiation. We would not be managing our corporate resources responsibly if we were to take an analogous approach to all our negotiations.

There is also an ideological constituent to negotiations that has been adopted by many organisations. Some organisations are well known for their combined style to doing business while there are those that have a reputation for being mercenary in their business approach. Some members of the retail sector are distinguished for being merciless with suppliers - they defend this approach by claiming that it is in the best concern of the consumer. Although the author agrees that this approach will not likely endure in the long period, it would be inexperienced not to be acquainted with the simple fact that a lot of business organisations have little interest in collaborative or compromising type negotiations within certain departments.

It is interesting to point out that while most organisations pride themselves on offering 'solutions' to the issues faced by their clients, many of their so called negotiations actually centre on haggling about price. The author believes they sincerely intended to engage on a solution based principle, but it just seems that this is far easier said than done when the rubber hits the road. Often, companies stated intentions to utilize a win/win based principle can be compared to the new year's resolutions so many of us make every year. There is little chance of us realizing our resolutions devoid of putting in place a back up plan and taking action to attain our goals. Many organisations do not own a clear organisational negotiation stratagem & process which describes them to the perils associated with a huge inequality in the results of their negotiated accords.

Organisations and individuals should distinguish that reciprocated negotiation requires the theory of significant resources. To be truly collaborative, we have to spend a lot of time getting to know each other. Partnering doesn't happen during the night - partnerships require significant investments of time and money, so select your partners cleverly. In a business-related context, this obviously does not make sense in some cases. Think about a pure service purchase such as paper for a small or intermediate sized organisation - if there are no value additional services presented or required it would not make sense to trail a collaborative organization with the supplier of such a commodity. It would be more reasonable to pursue a reasonable movement towards to the procurement of paper than a collaborative or even compromising approach. Actually, many organisations would probably try to purchase the paper or stationery by asking for many quotations and give the business to the lowest possible bidder. In truth, there are some cases where no negotiation

would take place at all. One point to note here is that this does not denote that the paper supplier has lost out because of this transaction - they have won the order, but it also reveals that we were not in point of fact interested in their interests at all; we were only focused on our own desired objectives. So, by taking a win/lose tactic in this instance has not really resulted in a loss for the supplier, it does mean that we were not really interested in the objectives they hoped to achieve.

The contradictory side of this example is that if you are selling commodity type products, you must understand that before you will be in a position to negotiate, we must generate for our self a base to do this from - for this reason the move towards presenting explanations.

How then do we determine which negotiation strategy to follow? Within a commercial perspective, the following negotiation strategy options are open to us:

1. Steer clear of negotiation altogether.
2. Aggressively attain our goals through competitive negotiation.
3. Satisfy the needs of our counterparty to the omission of our own needs by being accommodating in our negotiations.
4. Compromising by realizing some of our needs and some of the needs of our counterparty.
5. Satisfy all our needs and all the needs of our counterparty by taking a collaborative negotiation approach.

The negotiation strategy that is suitable will be established by how we answer the next two questions:

- How strong are my choices to this particular negotiation?
- How fundamental is a long term relationship in the framework of this negotiation?

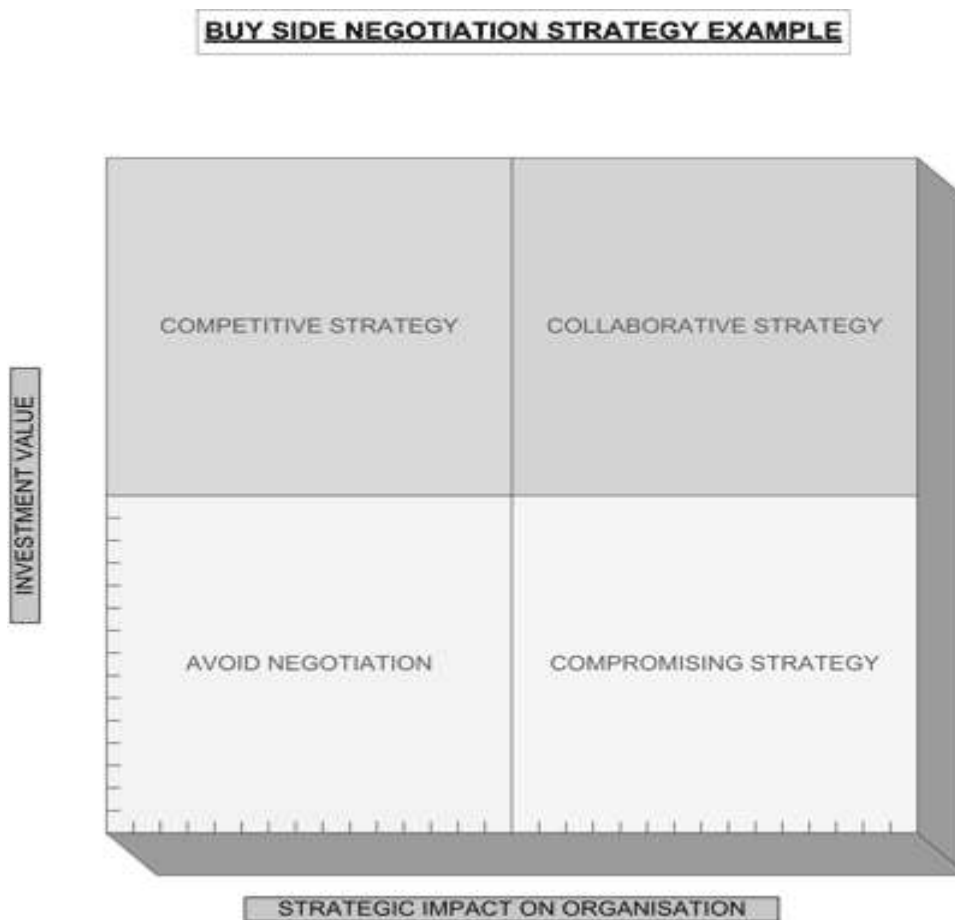


Figure 2: Buy negotiation strategy

It follows that in many instances, buyers would either follow an approach where they avoid negotiation or become competitive, while sellers would like to be either compromising or collaborative. How should this situation be handled?

A vital component of the negotiation preparation process should be focused on trying to understand the needs, interests and objectives of our counterparties. This will help us to identify the likely negotiation strategy that our counterparties will adopt. If our counterparty is avoiding a negotiation, we can be certain that our organisation is not being seen as offering any competitive advantage to our counterparty's organisation. In the first instance, our challenge would be to reconsider the way that our products and services are packaged. The objective should be to add to the strategic business objectives of our counterparty by identifying those components that meets their strategic needs.

If we find our self at the wrong end of a competitive negotiation, we should familiarize our self with the negotiation tactics they might use against us, as we will most certainly be faced with a tactical approach. Unless we understand negotiation tactics, it will be difficult for us to gain the most value that we will be derive from the negotiation because our counterparty will have no sincere interest to satisfy any of our needs or interests.

Everyone negotiates. We negotiate with family members about how to spend vacation time; we negotiate with friends about how to pick up the tab for dinner; we negotiate with contractors about when to come to the house for a delivery or repairs. Physicians discuss with patients when discussing alternatives of medical versus surgical therapy or, often times, no therapy. Scientists negotiate for time and space to accomplish experiments. All of us negotiate for salary and job responsibilities. While each of these illustrations has a dissimilar level of peril and contact on the effect, each requires indispensable contact skills to be efficient.

Richard Shell, in his book titled “Bargaining for Advantage” (Penguin Books, 1999) defines negotiation as "an interactive communication process that may take place whenever we want something from someone else or another person wants something from us." Shell explains the process in four stages: Preparation, Exchanging Information, Bargaining, and Closing and Commitment.



Figure 3: The four stages of negotiation

Preparation. Dr. Steven Blum, in his teaching on negotiation for the period of this year's AAMC Executive Development Series, reiterates: You will be a better negotiator if you arrange methodically. This is a very simple advice, but worth emphasizing. Preparation includes researching standards and principles by which negotiating parties may reach common ground. Preparation includes awareness of your own values on the issue being negotiated as well as understanding of the perceived needs and values of the other parties involved in the discussion. It is important to be aware of your own bargaining style as well as that of the other party.

(More on bargaining styles-avoidance, compromise, lodgings, competition, and problem solving in consequent issues of Faculty Vitae)

Exchanging Information. This is the only most important stage of negotiation. In 1978, a study of English work and agreement negotiators engaged in actual transactions showed that triumphant negotiators asked twice the number of questions and spent over twice the amount of time acquiring and clarifying information than did standard negotiators. (Reference in Shell, "Bargaining for Advantage").

Negotiating Behaviour	Skilled	Average
Questions, as % of all negotiating behaviour	21.3	9.6
Active Listening: Testing for Understanding	9.7	4.1
Active Listening: Summarizing	7.5	4.2
Total Information Exchange	38.5	17.9

Many observational studies since 1978 have confirmed the importance of these basic communications skills in helpful negotiation. Henry Ford gave advice on such communication: "If there is any one secret of success" he said, "it lies in the capability to get the other person's point of view and see things from that person's

point of view as well as from your own." Why are communication skills so significant in this particular kind of interaction? Shell surmises, "Most people are so appreciative to have an attentive audience that they take little notice of your discreet searching until they unexpectedly feel the urge to get a few answers themselves. By then the effective negotiator has the information he or she needs to enclose just the right responses."

Bargaining. Bargaining is the stage that most people associate with negotiation. On the other hand, this stage alone is NOT negotiating. It begins with an exchange of expressions, an opening of the discussion of a "deal". Dr. Steve Blum teaches AAMC EDS contributors to delay this stage as long as reasonable, but to recognize when it begins. He lectures, "As soon as a number or term is mentioned by one party, you have begun to move out of information exchange and into bargaining." In negotiations that have proceeded well through the stage of information exchange, this changeover occurs effortlessly as a natural expansion of how to act out the ideas that have emerged. If exchange is done efficiently, both parties are likely to have exposed a number of altered resolutions that are more striking than the ideas brought to the original argument by either party.

Both parties are also more likely to be pleased with their final contract if they come to the discussion with their very best case scenario in mind. The old adage "think positive" is the right one for negotiation. King Ching of Chou in the 12th century is reported to have said, "High achievement comes from high aims." When negotiating, think about meeting shared needs and desires with complementary solutions. Of course, one must prepare well by knowing the bottom line, or Best

Alternative to a Negotiated Agreement. (We will talk more about BATNA in a subsequent issue.) And, of course it is important to know one's values so as not to compromise them. However, the best bargaining will result in all parties feeling as though they have acquired value and lost little or none. This happens when the negotiators spend sufficient time prior to the bargaining stage to discover common ground on values and mutual benefit in exchanging properties or ideas.

The substantive changes in curriculum that are becoming established across the nation are the results of effective negotiation with many individuals with many interests. The "bargain" is often a method of increasing one department's visibility in return for support for more dispersed or integrated teaching. Often, this requires negotiation of a new method of distributing funds to departments to recognize teaching effort and always a consideration of how this new distribution methods contact upon departmental and divisional budgeting. Each of these is a result of a bargaining process that builds into the larger vision of more effective teaching, learning, and organizational novelty.

Closing and Commitment. When various alternatives have been fully explored, estimated by each party, and often adjusted, closing may occur. Blum tells us that we obtain true commitment from the other party "when the alternatives are not as attractive as following through on the deal." In an successful negotiation, both parties will come to this point of best likely grouping of terms in a similar time border.

Robert Frost said, "Good fences make good neighbours." A strong and visible closing and definition of terms facilitates an ongoing, trustworthy

relationship. One might say of bargaining, "a good contract makes a good bargain- and a potential long term relationship that will continue to benefit both parties. In the Unites States, a symbolic handshake signifies a verbal agreement. Signing a contract, a memorandum of understanding or placing funds in escrow can show good faith intention to follow through on the agreement. A public announcement such as a press release or presentation at an important meeting gives credence to the plan.

"In the last analysis, you cannot learn negotiating techniques from a book. You must actually negotiate." - Freund, Anatomy of a Merger 1975

The best way to improve your negotiation effectiveness is to be conscious of your own opportunities and deliberately work to advance your skill. Blum credits Shell in teaching that effective negotiators share alike characteristics. They all:

1. engage in systematic planning and preparation
2. have high expectations
3. maintain a name for trustworthiness and honesty
4. exhibit strong listening skills, knowledge of subject matter, verbal skills and self-confidence.

Fortunately, these are all characteristics that are significant for academic success as well. Whether your focus is clinical care, instructive modernism, or systematic investigation, you likely have developed substantial groundwork in each of these skills and traits. Using the four stages, you should be able to enhance your negotiation effectiveness. At the 2004 AAMC Annual meeting, Drs. Jayne Thorson, Tim Johnson, and Dee Fenner from the University Of Michigan College Of

Medicine shared some basic tips for negotiating new positions in academics. All rely on the basic stages of negotiation. It is staged that Dr. Fenner gives a portrayal of "a universal dance with four steps."

Modern negotiation.

As our elation dimmed with the heralding of the third millennium, the stark reality of our looming future now stands to challenge us. As the business elite decipher the legacy of the closing decades of the twentieth century, we discover that we repeatedly find ourselves caught in the grip of the demands posed by technology.

To succeed in today's business climate, the only possible choice left to us is to apply our thoughts to the persevering burdens posed by technological alterations.

Bottom of Form. When we, as business leaders, pause to read the communications inscribed into the closing decades of the past century, we find that we are increasingly caught up in the crossfire of technical demands.

If we are to successfully conduct our business in future, we have little choice but to ingeniously act in response to these demands. Were we to consider ignoring them, the words of the Red Queen in Lewis Carroll's *Through the Looking Glass* - "It takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run twice as fast as that." - are likely to haunt us.

Negotiators who are unsuccessful to keep pace with today are ever - changing business scenery is intended to find they run in an suitable place.

In studies specifically related to email, Morris found that role - play negotiations via email were less likely to be successful than were face - to - face

interactions. It became apparent that the main cause was the trend for parties to be affronted by blunt email messages that they often misconstrued.

Although email is an extremely useful medium for relaying factual information, it has severe limitations in terms of tone and attitude. What may be intended as a clear and direct message could be interpreted as blunt and/or rude, while an entertaining message may be perceived as offensive and derogatory. An ill-conceived email message could result in the destruction of a positive relationship built through face - to - face interactions, and could even scuttle a potentially rewarding.

Although email may never be a good initiator of negotiation relationships, it unquestionably will have an all the time more important role in sustaining such relationships. Our challenge is to use this tool in such a way that it is not merely a channel of cold, hard facts, but is also able to convey the expressive and collective information that is a prerequisite for a sound long - term relationship.

Any negotiator who neglects to keep pace with today's ever-changing business background is condemned to be left frozen in place as the landscape around them amends and hurtles past them.

Paradigm. Conventional understanding has us rigidly conformed to persist with a face-to-face negotiation paradigm. The consequences of this attitude cause us to rarely challenge the perceived need to engage in an extended trip whenever contact with the other party in a negotiation is required. Since the use of email averts us from meeting in a straight line with our counter party we send away it as a means of negotiation. Caught in the web of this paradigm model, we do not stop and even

consider the imaginative application of email to improve our interpersonal negotiations.

Research conducted by Michael Morris of Stanford University on the pressure of various forms of communication media employed in negotiations revealed that the psychology of trust was the most important factor that determined whether a particular media would make a positive contribution to a negotiation. Morris discovered that although the preponderance of experienced negotiators place great prominence on the importance of rapport - shared positive feeling and regard - few paid it little paid attention to since it is so hard to measure. Despite the lack of eagerness expressed by his equals, Morris was not dissuaded from developing a means to measure the impact of rapport on negotiations. He discovered that the non verbal emotional cues that exist in face-to-face negotiations bring into being higher levels of understanding than in the case of the telephone.

From other restricted research performed into the use of email, Morris learned that role-play negotiations conducted by email were usually less successful than one on one interaction. Morris learned that the primary reason for the lack of victory found in email negotiations was due to the use of blunt messages that were either misunderstood or caused offence. Here are more than a few examples to illustrate numerous possible causes of email miscommunication:

Despite the fact that email is an extremely useful medium for transmitting factual information, it is severely limited in terms of tone and attitude. A message that is meant to be clear and concise could be interpreted as blunt and/or rude. Uncooperatively, a funny message may be perceived as offensive and derogatory. A poorly constructed email message might destroy a positive relationship that had

been built through interpersonal interaction, and could even demolish a potentially beneficial agreement.

Relationship-building. The task that we must learn to master is how to employ our email in a manner that it can be used as a useful secondary negotiation medium. It is vital that we include relationship-building content in our email messages. This content must signal positive emotion and intent, such as: "By working together to achieve our shared interests we have made great progress," or "The trust and flexibility you have demonstrated has made it a fulfilling experience to work with you and your company." These steps will reinforce our intent to override the communication 'gap' due to the lack of nonverbal expressions and voice.

More thinking time. In face - to - face negotiation it often happens that a negotiator feels pressurised to accept a settlement that later transpires not to be in the best interests of the company. Email has the advantage that it makes available skilled negotiators with an opportunity to think sooner than responding.

International company negotiations. The person responsible concludes that if the negotiation has already established a strong starting point of trust, then email is less likely to be subject to having doubts about and misapprehension. From this conclusion he has proposed that email used in inter-company negotiations is less likely to be subject to mistrust and false impression because the pre-existing relationship will mitigate the communication as opposed to the case of intra-

company email negotiations. Intra-company email negotiations may be thwarted by office politics and by individuals endeavours to use every opportunity to strengthen their influence and power base.

Fortunately modern communications technology (video conferencing and reasonably priced computer mounted cameras) has made it possible to augment email text with individual and rapport - building information. By enhancing the email text with visual, audio and surroundings information many of the liabilities of email can effectively be minimised.

The author would be willing to guess that everybody encounters both designed and unplanned chances for negotiation quite a lot of times a day, yet more often than not, everybody may find the act of negotiation difficult. If we push too hard, the deal goes astray. If we're too soft, we become known as a pushover. The key to sound negotiation is ensuring the appropriate approach to the kind of negotiation to hand. Within the business surroundings, there are many kinds of negotiations that take place on an ongoing basis: we are frequently involved in negotiations with consumers, partners, decision-making organization, staff, and of course, suppliers. As a matter of fact, the environment within which we negotiate has become so specialised that a generic approach to all different kinds of negotiations no longer delivers most favourable results.

There are correspondences between the approach to best practices in negotiations and that of puttings into practice best practices in the workplace supported by the deployment of business solutions. To facilitate the achievement of business objectives through negotiations, company departments should consider the construction of an organisational negotiation ability. As in the business environment,

strategy drives process which, in turn, drives implementation and support. This means that a negotiation strategy should be defined, a supporting negotiation process designed and implemented, and a negotiation supporting infrastructure established to incessantly drive the improvement of negotiated outcomes whilst minimising the losses associated with sub-optimal supplier and end user agreements.

What is 'Best Practice Negotiation'? To avoid the losses associated with sub-optimal agreements, it is necessary to follow a 'Whole Brain' approach to all negotiations. In addition to negotiating in a 'Whole Brain' manner, negotiation practitioners dealing with contractors should also empower themselves with a basic understanding of purchasing strategy, and the appliance of different negotiation styles to suit the negotiation to hand. Let's explore these two concepts in a little more specifications.

Whole Brain Negotiations. It has been verified that all humans have preferences for certain categories of activities within the background of understanding, interpreting and engaging in communication and negotiations. The Herrmann Whole Brain Model provides a functional figure of speech for understanding ourselves and our negotiation preferences.

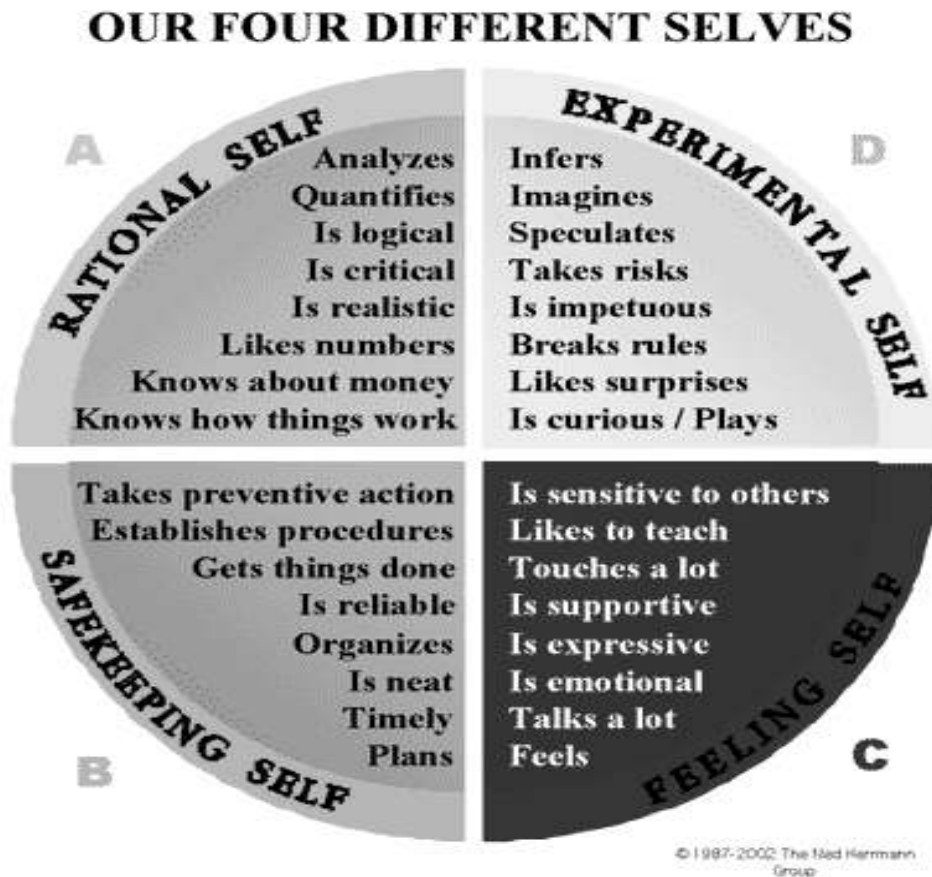


Figure 4 : The Herrmann Whole Brain Model

We all have preferences for activities contained within each of the 4 quadrants. Interestingly, less than 3% of us have an equal preference for all 4 quadrants. Since more than 1 million people have completed the HBDI (Herrmann Brain Dominance Instrument) profile, we are in a position to check the trends that are of particular interest to negotiators in the business environment. For instance, we know that professional buyers who correspond to organisations in their negotiations with suppliers characteristically have strong preferences for the A & B quadrants, but less of a focus on the C & D quadrants. This approach often leads to opportunities being missed to take out additional value. It also frequently results in

too little focus being expended on understanding the relationship dynamics resulting from altered types of negotiated agreements.

On the other hand, we identify that sales resources representing the suppliers normally have a stronger preference for the C & D quadrants. This leads to them often overlooking key risks, and hinders their recognition of the real business impact offered by their solutions.

The best recommendation for any negotiator is to pursue a 'Whole Brain' negotiation model where due concentration and focus is given to activities in all four quadrants.

Relationship. Agreements can only be concluded between organisations represented by people. The way we interact with other people is critical in negotiation success. The significance of relationships in negotiation is amplified in an environment where continued partnerships and long-standing relationships result from business interactions.

Purchasing Strategy and Fit for Purpose Negotiation Models. As executives acting as custodians of valuable company resources, it is incumbent upon us to ensure the appropriate application of negotiation strategies and tactics to achieve key company objectives. In this context, it is key to understand that there is a number of different negotiation engagement models available to us, depending on the objectives to hand.

Basic Purchasing Considerations. We know that in negotiations, as in life, victims have a propensity to turn out to be aggressors. It therefore follows that if we are too competitive in our approach to negotiation, we can often leave suppliers feeling that they need to reclaim what they trust is lawfully theirs. We can recognise the symptoms of a deal that was negotiated too competitively by the issues that we pick up subsequent to closing the deal - issues with service level agreements, escalations and so forth. If deals are not cost-effective for our suppliers, they will go to great lengths to cut corners so they can meet their profit objectives - often to the disadvantage of their clients who drove too hard a bargain.

When we enter into negotiations with suppliers providing strategic solutions that have a high value to our organisation, it is important that we create a collaborative frame for the negotiations to ensure that we are able to remove greatest value from the proposed partnership.

'FIT FOR PURPOSE' NEGOTIATION ENGAGEMENT MODELS

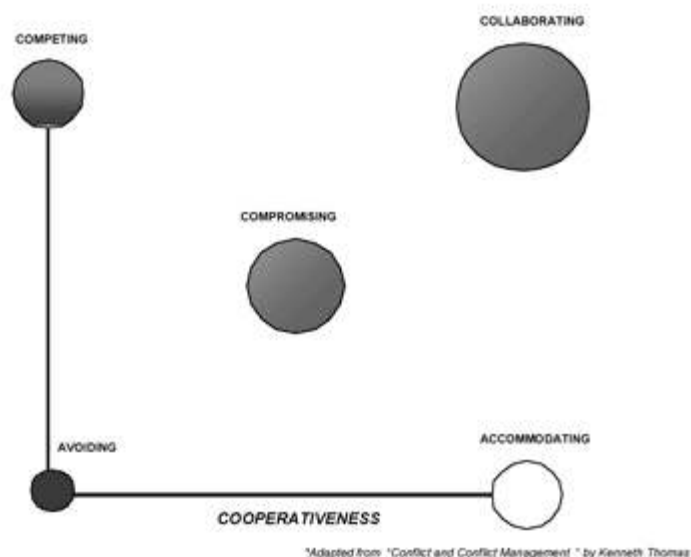


Figure 5: 'Fit for Purpose' Negotiation Engagement Models

In conclusion, when negotiating in the business environment, it is significant for practitioners to move towards the entire negotiation process (training, appointment and debriefing) from a whole brain perspective and to apply the appropriate negotiation strategy in support of the organisational objectives.

Summary Box

1. We have to define a negotiation strategy
 - Answer the following questions:
 1. What group or groups of people should be capable to negotiate efficiently in their vocational environments?
 2. What are the key negotiation characteristics of victorious negotiators in our department?
 3. Should we be providing any free products or services to our clients or user community?
 4. Should we be providing any concessions to our negotiation counterparts without receiving a counter concession of equal or greater value in return?
 5. What are the drivers in our organisation for the performance of leading practice negotiation skills?
 6. How will we measure success in the negotiation atmosphere? - (consider both leading and lagging indicators).

7. What are the specific actions that we will need to take to put into practice an organisational negotiation strategy?
2. Implement a supporting negotiation process
 - The negotiation process must be robust and have a high utility value to its users. The single most important consideration in implementing a negotiation process is ensuring a consistent application of leading negotiation practice across the department or organisation. Additionally, this will result in a shared vocabulary and a common platform for the evaluation, refinement and improvement of negotiated outcomes. We have to build our negotiation process around the following key areas:
 1. Deal qualification
 2. Deal objectives identification (for all parties to the negotiation)
 1. Aspiration base
 2. Real base
 3. Contracting zone
 3. BATNA analysis (Best Alternative To a Negotiated Agreement)
 4. Negotiation role definition and team composition
 5. Deal specific negotiation strategy & tactics
 6. Framing
 7. Negotiating climate

8. Negotiation debriefing

3. Implement a negotiation training programme
 - Once an organisational negotiation process has been defined, all contestants in the negotiation process should be trained in its use and application.
4. Create a negotiation support environment
 - It is important for executives to create an environment that supports the development and application of an organisational negotiation capability. Some of the key enablers are:
 1. Creating an environment for negotiators to imitate negotiations on a regular basis (on a quarterly or bi-annual basis)
 2. Creating a negotiation reference database - in its simplest form a log of resources with specific reference to the types of negotiation and relevant experience of organisational negotiators
 3. Automating the use of tools to support the negotiation process implementation
 4. Providing an individual coaching environment where resources can be coached in leading negotiation practice by managers

The organization of a corporate negotiation capability is no easy task and will require commitment and commitment at an organisational level. If approached

cautiously and applied wisely, the investment associated with the establishment of an organisational negotiation capability will deliver impressive returns that will establish competitive discrimination and superior stakeholder returns.

A very effective persuasion principle is the Principle of Reason or Sound Logic. This principle states that "people are more inclined to do what we ask if we give them a valid reason." Furthermore, if we can use a credible third party reference or some satisfactory standard of proof (e.g. social standard, industry standard, organization standard, etc.) we amplify our odds of success noticeably. Using this principle to help justify our service fee, we might say to the Seller "Mr. Seller I have a track record of selling homes for a higher price and in a shorter time period than my antagonism. Here's the data." (We should always be able to back up our claims doesn't matter what they might be!) As for the third party orientation or standard of social evidence, we might say something like "Ms. Seller, here is a Top Performer Award from my company and testimonials from past clients. You can see from these that I get top results for my clients and I'll get you the same top results." If our Seller wants to ask top dollar, we need to be able to provide credible, rational data to persuade the Buyer. If on the other hand our Buyer wants to make a low offer, the more "reasons" we have for the low offer the better the odds of preventing a negative reaction from the Seller (once negative emotion is brought into the negotiation, our task becomes much more difficult!).

We can also attempt the Scarcity or Uniqueness Principle to convince our Seller or Buyer that we are inimitable and special and worth every penny we are asking. "Ms. Seller, I am in the top 5% of all agents in my company because I get top results for my clients!" or "Mr. Buyer, less than 10% of all agents nationally

have this description and that means I am uniquely qualified to help you." If we can position our self as special in some meaningful way (having the most tattoos of any agent in the Valley probably won't do it!) we increase our odds of successfully persuading the other party.

Skilled negotiators also rely on the proven advance known as the Contrast Principle. In this approach we try to make what we are asking for appear very sensible versus another option. Then we pull out our long list of services to show what great value our client is receiving for our fee. Our challenge here is to make the difference credible.

What happens if, after we use all our persuasiveness, the other party still wants us to do something different? If we know how to make and take allowances in our negotiations, we know that we never give without taking. For example, if we are asked to take a lower listing fee, it may be the perfect time to ask for a performance bonus in return!

As a well trained and skilled negotiator we become we are able to do a much better job for our clients AND our self!

Moreover, there have been examined the effects of the visual anonymity of self and spatial distance on excitability in electronic negotiation in a role-play experiment. Excitability is the psychological factor that causes one to perceive the negotiation as unbalanced. There has been taken place a lack of visual information and the spread of spatial distance which reduced anticipation of retaliation, made the continuance norm less salient, and prompted to exit from the current negotiation. Visual anonymity was influenced by two conditions (visual anonymity or non-anonymity conditions). Spatial distance was manipulated by two conditions (remote

or close conditions). Forty-three candidates were allocated in one of these four conditions, and negotiated. The results showed both the visual anonymity and remote distance inhibited the establishment of continuation standard, encouraged to exit from the contemporary negotiation.

Furthermore, we must also take into consideration the different preferences established by verbalizers and imagers when viewing multimedia content presented with different eminence of service (QoS) levels pertaining to frame rates and colour depth. Recognizing multimedia infotainment duality, there has been used the quality of perception (QoP) metric to characterize perceived quality. Results showed that in terms of low and high dynamisms clips, the frame rate at which multimedia content is displayed influences the levels of information assimilated by Imagers. Whilst black and white presentations are shown to be helpful for both Bio modals and Imagers in order to knowledge enhanced levels of information assimilation, Imagers were shown to enjoy presentations in full 24-bit colour.

Motives, aims and orientation. Some studies have researched the connection between aims and outcomes. One study found that having the highest aspirations had greater influence on positive outcome than having the smallest amount aspiration (i.e. the fallback position) I.e. aiming for a high goal is better than aiming to avoid a negative outcome. In experimentation, so called loss frame negotiators (i.e. those wanting to avoid a loss) were more supportive and more likely to settle, as well as more likely to generate more integrative solutions. Opposite results were found in another study, where loss-framed negotiators (avoiding a loss) adopted a

conflict approach oriented towards winning to a greater extent than gain-framed (focusing on achieving a gain) negotiators.

Having competitive (self-oriented or egotistical) or cooperative (pre-social or team-oriented) goals generate different behaviours and different understandings of the negotiation condition. Pre-socially motivated negotiators have been shown to achieved more integrative agreements and fewer impasses, reporting higher levels of trust, more problem solving and less contending behaviour than egotistically (self-oriented) motivated negotiators. One study showed this to be the case only when confrontation to yielding is high. Olekalns and Smith (2005) found competitive or cooperative consideration of the negotiation situation not to be static, however, but evolved as a response to the negotiation situation. "Mental maps" implying high levels of suppleness generated high joint gains when negotiators were competitively oriented, but not when they had helpful goals.

The significance of having obvious goals is stressed by Brett et al. (1996), who found that negotiators who had a clear goal, self-efficacy (positive feedback regarding probability of fulfilling aims), substitute goals, and a BATNA attained higher individual outcomes than other negotiators.

Personality. A variety of factors relating to negotiator personality (here used broadly) have been investigated and it is quite clear that personality impacts negotiation behaviour. One study found that open-minded people were more likely to use problem-solving approach to achieve outcomes satisfactory to both parties, as were extroverted negotiators. When advances by extroverted people (e.g. information sharing) were not reciprocated, though, they were more likely to revert

to competitive behaviour. Another study found that extraversion and agreeableness were liabilities in distributive bargaining.

More autonomous individuals have been found to be more probable to employ cooperative negotiation tactics. Overconfident negotiators have been established to be more importunate and show more anxiety for their own outcomes. In an experiment, though, overconfident negotiators were found to fare neither better nor worse than realistically confident negotiators. Antagonistic people have been found to be more likely to take a distributive approach. Concerned with face, or social image, has also been found to impact on negotiations. One experiment found that buyers and sellers were less likely to reach a concord when the vendor was susceptible to face threats.

Negotiators with high self monitoring (i.e. individuals relying on situational and interpersonal correctness as opposed to relying on inner feelings and personal attributes) have been found to be more committed to pre-negotiation goals and make more complex plans regarding integrative tactics. They have also been found to be more likely to employ in argumentation during negotiations, and overall are more likely to accomplish their goals. Another study found that being conscientious, though, was not related to outcome. The issue of intelligence and negotiation performance has interested several scholars. In one study it was found that cognitive aptitude played no role in distributive bargaining, but was strongly related to achievement of joint outcomes in integrative negotiations. Methodical people have also been found to be more likely to behave more competitively, this because of higher cognitive abilities. The more complex the bargaining situation, the more imperative are individual dissimilarities. Related to cleverness is cognitive

motivation (e.g. preference of complex tasks over easy ones, finding new solutions), which has been hypothesized to predict outcomes in buyer-seller negotiation. In an experiment it was found that dyads where sellers had high cognitive motivation, better outcomes were achieved than by dyads where sellers had low cognitive enthusiasm. The cognitive motivation of buyers, though, did not affect outcomes.

There is also more and more importance placed on touching intelligence (EI). One study examined the relationship between the EI of both parties in conciliation and outcome. It was found that, while high EI people reported more constructive experience, intentional outcomes for these people were lower.

Attitudes. Ethicality and perceptions regarding fairness are recurring themes in negotiation research. One study discusses ethics in negotiations. It is argued that, while negotiating ethically may entail risks and put negotiators in defenceless positions, it acts alongside rigidity in upcoming negotiations, is less likely to spoil relationships with other negotiating parties, and is less probable to lead to list opportunities.

Maxwell et al. (1999) tested the effects of concern for fairness in distributive negotiations. They found that priming for fairness (through information to experiment participants regarding fair price) elicited more cooperative behaviour and increased contentment without a lower final price. Paese and Yonker (2001) studied how cognitive mechanisms underlie egocentric judgements of fairness. They conducted an experiment where participants were given different information to identify if selective re-possession and encoding (i.e. search for and distortion of facts to suit own objectives) was necessary for egocentric fairness judgements (i.e. self-serving

ending concerning fair conformity) to be made. They found that egocentric biases were greatest when discriminating encoding and retrieval was possible. Selective encoding was, however, not found to be a requirement for preconceived notion to occur.

Negotiation style and negotiation strategy. There is some research conducted about individuals' negotiation styles. For example, Brooks and Roes (2004) argue that negotiation point of reference (organisational representative's approach to negotiation process and outcome) is influenced by personality, negotiation schema and aspects of the negotiation setting (reward structure, accountability, power relations, time pressures, knowledge, corporate philosophy and objectives) and impacts success and satisfaction levels.

Manning and Robertson (2003) look at the connection between an individual's influence style and negotiation skills. So called "strategists" exhibited high levels of clarity of focus, while "opportunists" exhibited relatively lower levels. Strategists were also better organized and more likely to close deals. Collaborators were suppler in working towards a win-win situation, while opportunists were less so. Collaborators were also better than opportunists at reaching agreements. In experimentation, Kern et al. (2005) observed that cooperative negotiators use integrative strategies more than idiosyncratic negotiators and also engaged more in cooperative information sharing. The more cooperative negotiators persisted in integrative information sharing, the better their individual outcomes. Craver (2003), though, argues that the most effective negotiators may be those that utilize a

amalgam reasonable problem-solving approach, incorporating traits from both classifications.

Koeszegi (2004) suggests strategies managers may employ to manage risk, including risk preventing strategies such as distrust, norm of reciprocity (e.g. 3rd party assurance, and exchange of credible commitments) and risk-taking strategies such as faith and confidence on status.

Medium of negotiation and negotiation support systems. With technological advances and increasing interest in e.g. electronic auctions, the medium of negotiation is receiving increasing concentration from scholars. In particular, electronic negotiations and electronic negotiation support systems are fashionable topics of research. Nearly ten percent of the reviewed studies, or 24 articles, have this as their major focus. Some of these articles evaluate different negotiation media. One study explores negotiation outcomes (profit and satisfaction) arising in face-to-face negotiations, videoconference, telephone and computer-mediated communication. "Media richness" was found to impact negotiation processes and outcomes. Face-to-face negotiations were most efficient in terms of time used, while computer-mediated media were the least efficient. "Richer" media usage did not lead to higher joint outcomes, however. In fact, differences in outcomes between media were not great. Different media usage did result in unequal distribution of profits, however, face-to-face negotiations yielding the most equivalent distribution. Those using richer media reported the highest contentment. Different media were, thus, perceived to yield dissimilar outcomes, even if on a more objective stage this was not found to be the case. Partly contradicting findings were made in another

experimental study of the effects of multimedia on remote negotiations. Again, subjects clearly preferred media involving audio and video over simple text, but these more involving media neither improved communication competence nor the perceived success of negotiation outcome.

Yet another study on the topic of electronic negotiations specifically addressed the issue why email negotiations break down. In an experiment it was found that when negotiators neither had common in-group status (here corresponding to someone at another university) nor a personalised connection, negotiations were more likely to end in stalemate. Other experiments designate that intricate (prepared) arguments presented using a quick exchange medium (Instant messaging) made it possible for sellers to claim more value than using simple arguments presented through a slow medium (e-mail) .

The body of literature on medium of negotiation is, by now, large enough to have inspired meta-analyses. In such an analysis of existing research comparing face-to-face negotiations with practical (e.g. email, videoconferencing) negotiations, it was found that in virtual negotiations, negotiators were more hostile and reached lower profits than in face-to-face negotiations. This was especially the case when the negotiators were not known to each other.

So called electronic negotiation support systems (NSSs) are also being developed and tested by many researchers. In a review of the extant literature in the area, it was found that using NSSs can be a way to overcome inefficiencies in negotiation processes arising from cognitive limitations, biases and "dysfunctional socio-emotional aspects of negotiator behaviour". For example, Perkins et al. (1996) found that using an NSS (in a laboratory setting) enabled managers to arrive at

higher joint outcomes and more balanced contracts, and allowed agreements to be made in less time than when not using a negotiation support system.

Another study found that task complexity and divergence handling style of negotiator force effectiveness of negotiation support systems. Face-to-face negotiations provided better outcomes if negotiators had a collaborative conflict handling style. Primarily when negotiators had a conflict-oriented negotiation method NSSs or EMSs (electronic meeting systems) were appropriate. Several other studies also analyse unlike types of electronic negotiations and are in attendance

NSSs tailored to specific negotiation situations. There are also studies providing meta-models that can be used to analyse strengths and weaknesses of NSSs.

Negotiation support systems are not appropriate for all situations and are not adopted by all organizations. In a study aiming to identify factors affecting intention to adopt NSS, it was found that organizational culture and industrial characteristics played important roles. More specifically, perceptions' regarding customers' and clients' expectations, as well as IT specialists and other employees in the firm strongly impacted intentions to adopt NSSs. Perceived support among employees was also found to considerably impact adoption plans.

Much of the NSS literature, though, focuses on technical aspects of systems design. Swaab et al. (2004) argue that there are background factors that play important roles in negotiations, and that must be taken into consideration when creating electronic NSSs. E.g., they quarrel and find support for the significance of shared information. When the negotiators shared the same information on their screens (i.e. rather than only information regarding their own situation), negotiations

ran more effortlessly. Further, in negotiations supported by software it is design principles and information processing that differentiate between integrative and distributive negotiations, rather than negotiators' perceptions of the problem as is commonly the case in face-to-face negotiations. Electronic negotiation software can be complex, and may necessitate expert support. In a study of the role of the expert advisor in NSSs, it is argued that (s)he should primarily helping negotiators and decision makers to understand the problems they face. They further argue that there is a need for negotiation support systems that engage the user rather than promoting certain solutions.

Medium of negotiation has also been studied in connection with nationwide cultural context, sometimes as a means of overcoming culture-related problems arising in negotiations. One study found that when using an electronic negotiation medium, Chinese negotiating dyads (i.e. Chinese negotiating with other Chinese) reached higher joint outcomes than American dyads. Both dyads reached higher outcomes than they did in face-to-face negotiators, though. Another study compared German and Dutch negotiators negotiating via an electronic medium. It was found that Germans were more cooperative in negotiations in an operations organization background and less cooperative in an innovation management setting when negotiating electronically. The contradictory was found to be the case for Dutch negotiators.

Overall, though, Kersten et al. (2003) argue that in electronic negotiations, technology moderates the relationship between culture and negotiation behaviour. Those dimensions of culture that rely on social cues (such as power distance) become less salient in Web-based negotiations. There are still significant cultural

differences present, though, such as relating to expectations of outcomes and communication patterns. However, in an experiment they found that, as the negotiations proceeded, individual differences between negotiators (e.g. approach to problem solving) became more important than cultural differences.

Also negotiation support systems have been addressed in an international setting. Kersten and Noronha (1999) argue that there are significant differences between cultures in negotiation performance obvious even if the negotiators do not know of each others' identities. They therefore explain an NSS tool suitable for worldwide or cross-cultural negotiations.

Negotiation setting. Apart from negotiation medium, there is surprisingly little research identified dealing with the negotiation setting in terms of the physical location of the negotiation. Mayfield et al. (1998) offer one exception, discussions the impact of site selection on cross-cultural negotiations.

They argue that in many cases location favours one party over the other, and the host company has many advantages, e.g. relating to greater control over the negotiation. There are also advantages to visiting the other party, but selecting unbiased ground is a key strategy in disagreement escaping.

Time. The issue of time in negotiations has received some awareness. Seven articles deal with time pressures and deadlines in negotiations. In particular, the force of deadlines and other time pressures on the negotiation process and negotiation outcomes has been in focus.

One study focused on the effects of time pressure and responsibility on competitiveness of interface and outcome. It was found that when negotiators negotiated only for themselves, time pressure made them less competitive and a greater proportion of negotiations lead to an agreement. When negotiators negotiated on behalf of "constituents", however, the opposite was found. Time pressure resulted in more reasonable behaviour and a lower percentage of agreements (vs. impasses). Another study found that participants under time high pressure averaged fewer offers. Time pressure primarily impacted actions later in the negotiation, though, indicating that negotiators did not feel time pressures very strongly at the beginning. High time pressure resulted in more and larger concessions, concessions that were also more consistent with negotiator preferences, than offers made under low time pressure. Some of these findings were largely supported in a meta-analysis of extant research on time pressures, where Stuhlmacher and Champagne (1998) found that across studies high time pressure increased likelihood of concessions and supportive behaviour. It was, however, found that time pressures also made the reaching of an agreement more likely. Interestingly, effects of time pressure increased as deadlines near. Effects of high time pressure were greatest on flexible negotiators using less tough negotiating stratagems, though.

A study looking at people behaviours and cerebral processes under time strain found that time pressure reduced motives of methodically processing information, and led to greater confidence on cognitive heuristics. Under time pressure stereotypes were more expected to be used and perceptions regarding the "fixed pie" were less likely to be revised.

Another study looked the connection between time of negotiation and time when the agreement was to be implemented. It was found that negotiated agreements were more well-organized (less contentious, e.g.) when there was more time until the agreements had to be implemented. This was especially the case when "burdens" were allocated in the negotiations compared to "benefits".

Yet another study on negotiations and time looked at how deadlines were treated purposefully by negotiators. It was found that, when given the choice of revealing time deadlines for negotiations, negotiators chose not to do so, because they thought this would be disadvantageous to their own outcomes. However, the study found that revealing deadlines could lead to more immediate concessions from the other party, in fact generating better outcomes for the negotiator.

Negotiation issue(s). The negotiation issue is, of course, relevant in most of the negotiation research studied here. Since the vast majority of empirical studies are based on investigational designs entailing negotiation imitations, research subjects are given, more or less detailed, scripts or outlines of negotiation tasks. Such tasks include, e.g., business buyer-seller negotiations or job contract negotiations. Actually relating the task as such to processes or outcomes is less common, however.

It has been explored that the connection between number of issues under negotiation and representative satisfaction. Arguably, while the number of negotiable issues increases potential for integrative outcomes, the authors ask themselves if this increases negotiator satisfaction. The study showed that the greater the number of issues under negotiation, the worse negotiators felt about the

outcome, the reason being that the greater the number of issues, the better probable outcomes was envisaged by negotiators. This also meant that bigger numbers of outcomes were not realized, and negotiators subsequently felt dissatisfied.

All this information will be very useful for managers who need to bring up to date their business negotiation skills.

Chapter 4 - Methodologies and Procedures Used in the Study

The method of content analysis has enabled the author to include large amounts of textual information and systematically identify its properties by detecting the most significant structures of its communication content. Such amounts of textual information were categorised according to a certain theoretical structure, which have informed the data analysis, providing at the end a having an important effect reading of content under examination.

The content analysis is an increasingly important tool in the measurement of achievement in the evaluation of data estimation.

The creation of coding frames is intrinsically related to a creative approach to variables that put forth an pressure over textual content. There is no experiential actuality outside articulations of meaning.

Content analysis has been criticised for being a positivist methodology, yet here is an example of a methodology used to organise a content analysis which is able to capture the logic of the contingent.

Every content analysis departs from a hypothesis. The hypothesis supports the understanding that in general, rational voters converge in the direction of uniform positions in most thematic dimensions. As an evaluation approach, content analysis is considered to be quasi-evaluation because content analysis judgments need not be based on value statements. Instead, they can be based on knowledge. Such content analyses are not evaluations. On the other hand, when content analysis judgments are based on values, such studies are evaluations (Frisbie, 1986).

As demonstrated above, only a good scientific hypothesis can show the way to the expansion of a methodology that will allow the experiential explanation, be it dynamic or static.

There are 15 uses of content analysis into three basic categories:

- make inferences about the antecedents of a communication
- describe and make inferences about characteristics of a communication
- make inferences about the effects of a communication.

The following table shows fifteen uses of content analysis in terms of their purpose, element of the communication paradigm to which they apply, and the question they are intended to answer.

Purpose	Element	Question	Use
Make inferences about the antecedents	Source	Who?	<ul style="list-style-type: none"> • Answer questions of disputes
	Encoding process	Why?	<ul style="list-style-type: none"> • Secure intelligence • Analyze traits of parties • Infer cultural aspects & change • Provide legal & evaluative evidence
Describe & make inferences about the characteristics of communications	Channel	How?	<ul style="list-style-type: none"> • Analyze techniques of persuasion • Analyze style
	Message	What?	<ul style="list-style-type: none"> • Describe trends in content • Relate known characteristics of sources to messages they produce

	Recipient	To whom?	<ul style="list-style-type: none"> • Compare content to standards • Relate known characteristics of audiences to messages produced for them • Describe patterns of analysis
Make inferences about the consequences of this methodology	Decoding process	With what effect?	<ul style="list-style-type: none"> • Measure readability • Analyze the flow of information • Assess responses to this methodology

Note. Purpose, communication element, & question from Holsti (1969). Uses primarily from Berelson (1952) as adapted by Holsti (1969).

The process of a content analysis: According to Dr. Klaus Krippendorff (1980 and 2004), six questions must be addressed in every content analysis:

- Which data are analyzed?
- How are they defined?
- What is the population from which they are drawn?
- What is the context relative to which the data are analyzed?
- What are the boundaries of the analysis?
- What is the target of the inferences?

Qualitatively, content analysis has involves different kinds of analysis where their content was categorized and classified..

While methods in quantitative content analysis in this way transform observations of found categories into quantitative statistical data, the qualitative content analysis focuses more on the intentionality and its implications.

Typically each side takes a position, argues strongly for it, and possibly makes concessions to reach an eventual compromise. One party will walk away from the negotiation feeling as if they gave in to reach the compromise. A compromise may get the parties out of the negotiating room, but may not offer a long-term solution.

The Harvard University Negotiation Project looked at the question as to whether there was a better way to negotiate. The result was the method called Principled Negotiation, or Negotiation on the Merits. A book was published as well: *Getting to Yes: Negotiating Agreement Without Giving In*.

There are five basic components to this negotiation method.

1. Separate the people from the problem. Both parties must work together to attack the problem, at hand, and not each other.
2. Focus on interests, rather than on tightly held positions.
3. Develop a series of options before deciding how to best solve the problem.
4. Insist that the final outcome be based on some objective standard rather than emotion.
5. Since not all negotiations may result in a desired outcome, each party should know its best alternative to a negotiated agreement (BATNA), before the negotiation process begins.

That is the case in this study. The author has presented the most important negotiation processes so as they immediately compared and contrasted. This facilitates businessmen's decision in their next coming negotiations.

Chapter 5 - Results

Negotiating power plays a major role in every type of negotiation, whether it is a labour negotiation, political negotiation or a buy-sell negotiation. Both the buyer and the seller have power in a negotiation. Power is each side's perception of its strength or weakness in comparison to the other. This perception of power affects the ability of each party to achieve its own goals, and the more negotiating power you have in comparison to that of your buyer, the fewer concessions you'll have to make. For each party in a negotiation, there are eight sources of power. These are need, options, time, relationships, investment, credibility, knowledge and skills.

An old British Diplomat Service manual stated the following and it still might be helpful: “Nothing may be said which is not true, but it is as unnecessary as it is from time to time unwanted to say everything significant which is true; and the facts given may coordinate in any expedient order. The perfect response to an embarrassing question is one that is brief, appears to answer the question completely (if challenged it can be proved to be accurate in every word), gives no opening for discomfited follow-up questions, and discloses really nothing”.

Skilled negotiators expand techniques to do this. A preferred one is to respond a question with a question to redirect the first question.

"Be unconditionally constructive. Approach a negotiation with this- 'I accept you as an equal negotiating partner; I respect your right to differ; I will be receptive.' Some

criticize my approach as being too soft. But negotiating by these principles is a sign of strength." R. Fisher, *Getting to Yes*.

All of us take part in many negotiations throughout a week but that doesn't mean we become better at it. To become better we need to become aware of the arrangement and dynamics of negotiation and we need to think methodically, impartially, and critically about our own negotiations. After engaging in a negotiation, reflect on what happened and figure out what you did effectively and what you need to do better.

There is no one "best" style; each of us has to find a style that is comfortable for us. Yet, everyone can negotiate productively; everyone can reach agreements where all sides feel at least some of their needs have been satisfied. This involves a lot of attentiveness, active listening, good communication skills, great suppleness, good training, and above all it involves a sharing of responsibility for solving the problem, not a view that this is "their" problem.

To sum up the most imperative keys to successful divergence resolution:

- bargain over interests, not predetermined positions
- de-personalize the problem (separate the person from the problem)
- separate the problem definition from the search for solutions
- attempt to produce alternative solutions; try to use objective criteria as much as likely
- reflect on your negotiations; be taught from your successes and mistakes

"Have unlimited patience. Never corner an opponent and always assist the other person to save his face. Put yourself in his shoes-so as to see things through his eyes. Avoid self-righteousness like the devil-nothing is so self-blinding (B. H. Liddell Hart, historian).

Chapter 6 - Discussion, Conclusions, Recommendations

A decade has passed since the boundaries of knowledge were pushed back through publication of *International Multilateral Negotiation: Approaches to the Management of Complexity* (Zartman 1994). In this work we have seen among other subjects the application of a distinguished range of theories to one of the most complex negotiation types, the international multilateral conference. Coalition theory, assessment theory, game theory, leadership theory, organizational theory, and small-group theory can be each applied to many negotiations. The intent of this thesis is to extend theory and provide tools for analyzing the complexities of many-sided negotiations while establishing groundwork for the study of negotiation complexity and its management. Managing difficulty is a paradigm, not a theory. It is the context for theorizing, but more fundamentally, a way of thinking about multiparty negotiations in order to achieve a better understanding of the full process. This will contribute in the accomplishment in the safest way of an agreement fulfilling all sides' expectations.

This paper explored dynamics in the negotiations. It suggests that multilateral negotiation processes on human security issues reflect a new kind of dynamics in multilateral negotiation processes where successful international coalitions draw strength and legitimacy through numbers and the mobilization of "boundary role" players in civil society and non-governmental organizations. It also suggests that didactic leadership has a critical role to play in assembling these coalitions and generating the requisite high levels of attention and support to carry human security initiatives forward.

It has been shown that power and information processes are fundamental to negotiations and that one impact of culture on negotiations is through these processes. The cultural value of individualism versus collectivism is linked to goals in negotiation; the cultural value of egalitarianism versus hierarchy is linked to power in negotiation; and the cultural value for high versus low context communication is linked to information sharing in negotiation.

In this way the company in which the author works, like all actual organizations, will be highly benefited if they put into practice the conclusions derived from this study.

As time passes through, they will understand more and more that they have to take care not of their own but of all parties long lasting wellbeing following business negotiation. Disputes bring only losers; there are no winners.

Therefore, the author concludes by identifying some avenues for future inquiry.

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