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NINTH EDITION

Negotiation

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Mc Graw Hill

Negotiation

ninth edition

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NEGOTIATION

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1 2 3 4 5 6 7 8 9 LCR 28 27 26 25 24 23

ISBN 978-1-266-28315-4
MHID 1-266-28315-3

Cover Image: *Alexey Kashin/Shutterstock*

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Dedication

We dedicate this book to all negotiation, mediation, and dispute resolution professionals who try to make the world a more peaceful and prosperous place.

And to John W. Minton (1946–2007): friend, colleague, and co-author.

About the Authors

Roy J. Lewicki is the Irving Abramowitz Memorial Professor of Business Ethics Emeritus and Professor of Management and Human Resources Emeritus at the Max M. Fisher College of Business, The Ohio State University. He has authored or edited over 40 books, as well as numerous research articles and book chapters. Professor Lewicki has served as the president of the International Association for Conflict Management, and he received its Lifetime Achievement Award in 2013. He received the Academy of Management's Distinguished Educator Award in 2005 and has been recognized as a Fellow of the Academy of Management, the International Association of Conflict Management, and the Organizational Behavior Teaching Society for his contributions to the fields of negotiation and dispute resolution.

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Preface

Welcome to the ninth edition of *Negotiation*!

Those familiar with the eighth edition will note that there has been no substantial change in the fundamental organization of this book. We continue to emphasize negotiator ethics as a core concept that any student of negotiation should read and understand.

The authors have carefully organized *Negotiation* to coordinate with the seventh edition of *Negotiation: Readings, Exercises and Cases*. This Readings book is no longer published in paper form, but its complete contents are available online to be adopted separately or paired with versions of the *Negotiation* text in custom book form. A condensed version of this text, *Essentials of Negotiation,* eighth edition, will be available in 2024.

Features and Content Changes

- The entire book has been updated throughout. Based on new and developing research, major changes were made to Chapter 7 on Communication, Chapter 12 on Coalitions, Chapter 13 on Multiparty Negotiation, and Chapter 16 on Culture.
- Many of the features that offer lively perspectives on negotiation dynamics have been updated or expanded.
- Many brand-new boxes have been added and others have thoroughly revised.
- A shorter version of this text, *Essentials of Negotiation,* seventh edition, can also be used in conjunction with the Readings book, as well an eighth edition due in 2024.

Chapter-by-Chapter Changes

Edits and updates have been made in all chapters, to improve clarity and ensure the content is current, and new research findings have been included in most chapters as well. The references have been updated throughout, and the following list highlights some of the changes were made for the ninth edition.

Chapter 1:

- New box: The Risks and Benefits of Changing the Rules of the Game
- New box: The Way Out

Chapter 2:

- New paragraphs were added on negotiation alternatives, phantom anchors, and external cues
- New paragraph added discussing first and second offer advantages

Chapter 3:

- New box: Finding the Collective Goal
- New box: Identifying the Problem at Acme Electronics Plant

- New box: Dividing the Prize
- New text added about the five key aspects of defining the problem

Chapter 4:

- New heading and text added: The Other Party's Likely Strategy
- New section added: In Conclusion: Some Cautionary Notes about Planning
- New box: No Plan Survives First Contact with the Enemy

Chapter 5:

- New text added regarding the difference between bluffs that are acceptable to both parties, and lies that are unacceptable
- New paragraph added discussing paltering (deception by omission)
- New paragraph added expanding the discussion of unethical behavior in negotiation
- New text added on entitlement and self-efficacy
- Two new cartoons were added
- Box 5.3 updated with latest codes of ethics from current companies

Chapter 6:

- New text added to the discussions on reframing, escalation, and negative emotions
- New paragraph added on the power of positive and negative frames

Chapter 7:

- New subsection: Negotiating via Email
- New subsection: Negotiating via Texting
- New subsection: Negotiating via Videoconference
- New subsection: Biases in Virtual Negotiation
- New section summary added
- New paragraph added on the use of hypothetical questions as strategic devices in negotiation

Chapter 8:

- New text added on gaining power in a network
- New section added on Social Capital
- Updates made to The Power of Facebook box

Chapter 10:

- New heading was added, Why Past Research on Dyadic Negotiation Needs to Be Re-Evaluated for Relationships, and the following section was thoroughly updated

- New paragraph added: Reputations can be either integrative/cooperative or distributive/competitive
- New paragraph added on fairness in negotiation
- New box, Building Relationships as a Negotiation Strategy

Chapter 11:

- New paragraph added on communication through social media
- New box, The Increasing Role of Social Media in Influencing Negotiations

Chapter 12:

- New box, The Strategic Power of a Minority

Chapter 13:

- Chapter title changed to: Multiple Parties and Groups in Negotiations
- Chapter objectives were updated and expanded
- New detailed discussion added on multiparty negotiation
- New paragraph added to the Group on Group Negotiations section

Chapter 14:

- New text added regarding gender differences and entitlement, negotiation, and ethics
- One existing cartoon was removed and a new one was added
- New box, Cultural Basis for Gender Differences in Negotiation
- New box, Women Don’t Ask . . . Except When They Do

Chapter 15:

- New text expanding the discussion of personality traits
- New paragraph added on perspective taking

Chapter 16:

- The conceptualizing culture section has been broken down into five approaches
- New section added on Cultural Syndromes and Logics
- New paragraph added on the different expectations of negotiators from Japan and the United States

Chapter 17:

- New text added on “critical moments” and restarting negotiations
- New box, Explosion at River Rouge Plant

Chapter 18:

- New box, How to Respond when the Other Party Appears Irrational

Support Materials

Instructional resources—including a test bank, chapter outlines, PowerPoint slides, and extensive resource materials on teaching negotiation skills for new instructors—are available to accompany this volume on the Connect website, **connect.mheducation.com**

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Acknowledgments

Once again, this book could not have been completed without the assistance of numerous people. We especially thank:

- Many of our colleagues in the negotiation and dispute resolution field, whose research efforts have made the growth of this field possible and who have given us helpful feedback about earlier editions to improve the content of this edition.
- The work of John Minton, who helped shape the second, third, and fourth editions of this book and passed away in the fall of 2007.
- The staff of McGraw Hill Education, especially our current portfolio director, Michael Ablassmeir; Angie Petit Lichter, our portfolio manager who can solve almost any problem and content project manager, Melissa Leick.
- Our families, who continue to provide us with the time, inspiration, and opportunities for continued learning about effective negotiation and the personal support required to sustain this project.

Roy J. Lewicki
David M. Saunders
Bruce Barry

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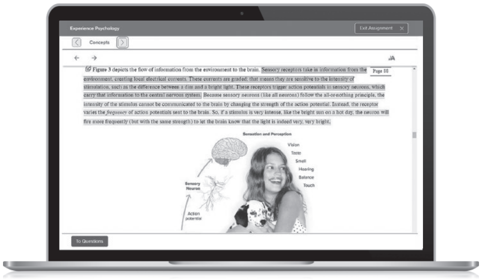

Figure 3 depicts the flow of information from the environment to the brain. Sensory receptors take in information from the environment, creating local electrical currents. These currents are graded; that means they are sensitive to the intensity of stimulation, such as the difference between a dim and a bright light. These receptors trigger action potentials in sensory neurons, which carry that information to the central nervous system. Because sensory neurons (like all neurons) follow the all-or-nothing principle, the intensity of the stimulus cannot be communicated to the brain by changing the strength of the action potential. Instead, the receptor varies the *frequency* of action potentials sent to the brain. So, if a stimulus is very intense, like the bright sun on a hot day, the neuron will fire more frequently (but with the same strength) to let the brain know that the light is indeed very, very bright.

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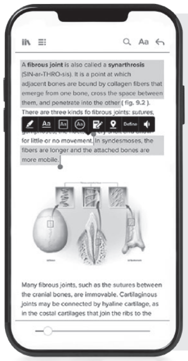

A **fibrous joint** is also called a **synarthrosis** (SIN-ar-THRO-sis). It is a point at which adjacent bones are bound by collagen fibers that emerge from one bone, cross the space between them, and penetrate into the other (fig. 9.2). There are three kinds fo fibrous joints: *sutures,* [illegible] for little or no movement. In syndesmoses, the fibers are longer and the attached bones are more mobile.

Many fibrous joints, such as the sutures between the cranial bones, are immovable. Cartilaginous joints may be connected by hyaline cartilage, as in the costal cartilages that join the ribs to the

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CHAPTER 1

The Nature of Negotiation

Objectives

1. Understand the definition of *negotiation,* the key elements of a negotiation process, and the distinct types of negotiation.
2. Explore how people use negotiation to manage different situations of interdependence—that is, that they depend on each other for achieving their goals.
3. Consider how negotiation fits within the broader perspective of processes for managing conflict.
4. Gain an overview of the organization of this book and the content of its chapters.

Chapter Outline

A Few Words about Our Style and Approach
Joe and Sue Carter
Characteristics of a Negotiation Situation
Interdependence
    Types of Interdependence Affect Outcomes
    Alternatives Shape Interdependence
Mutual Adjustment
    Mutual Adjustment and Concession Making
    Two Dilemmas in Mutual Adjustment
Value Claiming and Value Creation
Conflict
    Definitions
    Levels of Conflict
    Functions and Dysfunctions of Conflict
    Factors That Make Conflict Easy or Difficult to Manage
Effective Conflict Management
Overview of the Chapters in This Book
Chapter Summary

"That's it! I've had it! This car is dead!" screamed Chen, pounding on the steering wheel and kicking the door shut on his 10-year-old Ford sedan. The car had refused to start again, and Chen was going to be late for class (again)! Chen wasn't doing well in that management class, and he couldn't afford to miss any more classes. Recognizing that it was finally time to do something about the car, which had been having numerous mechanical problems for the last three months, Chen decided he would trade the sedan in for another used car, one that would hopefully get him through graduation. After classes that day, he got a ride to the nearby shopping area, where there were several repair garages and used car lots. He knew almost nothing about cars, and didn't think he needed to—all he needed was reliable transportation to get him through the next 18 months.

A major international airline company is close to bankruptcy. The fear of terrorism, a number of new "budget-fare" airlines, and rising costs for fuel have all put the airline under massive economic pressure. The company seeks $800 million in wage and benefit cuts from the pilots' union, the third round of cuts in two years, in order to head off the bankruptcy. Rebuffed by the chief union negotiator for the pilots, the company seeks to go directly to the officers of the Air Line Pilots Association—the international union—to discuss the cuts. If the pilots do not agree to concessions, it is unlikely that other unions—flight attendants, mechanics, and so on—will agree, and bankruptcy will be inevitable.

Janet and Jocelyn are roommates. They share a one-bedroom apartment in a big city where they are both working. Janet, an accountant, has a solid job with a good company, but she has decided that it is time to go back to school to get her MBA. She has enrolled in Big City University's evening MBA program and is now taking classes. Jocelyn works for an advertising company and is on the fast track. Her job not only requires a lot of travel but also requires a lot of time socializing with clients. The problem is that when Janet is not in evening class, she needs the apartment to read and study and has to have quiet to get her work done. However, when Jocelyn is at the apartment, she talks a lot on the phone, brings friends home for dinner, and is either getting ready to go out for the evening or coming back in very late (and noisily!). Janet has had enough of this disruption and is about to confront Jocelyn.

A country's government is in a financial crisis, created by a good old-fashioned "smackdown" between the newly re-elected president and the legislature. The president insists that taxes must be raised to pay for ongoing government services, particularly the taxes of the richest 1 to 2 percent of the taxpayers. In contrast, a majority of the elected legislature, whose political party favors the wealthy, insists that the president cut government spending instead! Moreover, a group of the legislators have taken a public "pledge" to not agree to *any* tax increases and fear losing their jobs in the next election if they give in on their pledge. If the crisis is not resolved in a few days, a financial doomsday is predicted.

Aleah Johnson is one of the most qualified recruits this year from a top-25 ranked business school. She is delighted to have secured a second interview with a major consumer goods company, which has invited her to its headquarters city and put her up in a four-star hotel that is world-renowned for its quality facilities and service. After getting in late the night before due to flight delays, she wakes at 6:45 a.m. to get ready for a 7:30 a.m. breakfast meeting with the senior company recruiter. She steps into the shower and grabs the water control knob to turn it, and the knob falls off in her hand! There is no water in the shower at all; apparently, repairmen started a repair job on the shower, turned all the water off somewhere, and left the job unfinished. Aleah panics at the thought of how she is going to deal with this crisis and look good for her breakfast meeting in 45 minutes.

Do these incidents look and sound familiar? These are all examples of negotiation—negotiations that are about to happen, are in the process of happening, or have happened in the past and created consequences for the present. And they all serve as examples of the problems, issues, and dynamics that we will address throughout this book.

People negotiate all the time. Friends negotiate to decide where to have dinner. Children negotiate to decide which television program to watch. Businesses negotiate to purchase materials and sell their products. Lawyers negotiate to settle legal claims before they go to court. The police negotiate with terrorists to free hostages. Nations negotiate to open their borders to free trade. Negotiation is not a process reserved only for the skilled diplomat, top salesperson, or ardent advocate for an organized lobby; it is something that everyone does, almost daily. Although the stakes are not usually as dramatic as peace accords or large corporate mergers, everyone negotiates; sometimes people negotiate for major things like a new job, other times for relatively minor things like who will take out the garbage.

Negotiations occur for several reasons: (1) to agree on how to share or divide a limited resource, such as land, or money, or time; (2) to create something new that neither party could do on their own; or (3) to resolve a problem or dispute between the parties. Sometimes people fail to negotiate because they do not recognize that they are in a negotiation situation. By choosing options other than negotiation, they may fail to achieve their goals, get what they need, or manage their problems as smoothly as they might like to. People may also recognize the need for negotiation but do poorly because they misunderstand the process and do not have good negotiating skills. After reading this book, we hope you will be thoroughly prepared to recognize negotiation situations; understand how negotiation works; know how to plan, implement, and complete successful negotiations; and, most importantly, be able to maximize your results.

A Few Words about Our Style and Approach

Before we begin to dissect the complex social process known as negotiation, we need to say several things about how we will approach this subject. First, we will briefly define negotiation. Negotiation is “a form of decision making in which two or more parties talk with one another in an effort to resolve their opposing interests” (Pruitt, 1981, p. xi). Moreover, we will be careful about how we use terminology in this book. For most people, *bargaining* and *negotiation* mean the same thing; however, we will be quite distinctive in the way we use the two words. We will use the term *bargaining* to describe the competitive, win–lose situations such as haggling over the price of an item at a yard sale, flea market, or used car lot; we will use the term *negotiation* to refer to win–win situations such as those that occur when parties are trying to find a mutually acceptable solution to a complex conflict.

Second, many people assume that the “heart of negotiation” is the give-and-take process used to reach an agreement. While that give-and-take process is extremely important, negotiation is a very complex social process; many of the most important factors that shape a negotiation result do not occur during the negotiation; they occur *before* the parties start to negotiate, or shape the context *around* the negotiation. In the first few chapters of the book, we will examine why people negotiate, the nature of negotiation as a tool for managing conflict, and the primary give-and-take processes by which people try to reach agreement. In the remaining chapters, we will examine the many ways that differences in the substantive issues, the people involved, the processes they follow, and the context in which negotiation occurs enrich the complexity of the dynamics of negotiation. We will return to a more complete overview of the book at the end of this chapter.

Third, our insights into negotiation are drawn from three sources. The first is our personal experience as negotiators ourselves and the rich number of negotiations that occur every day in our own lives and in the lives of people around the world. The second source is the media—television, radio, newspaper, magazine, and the internet—that report on actual negotiations every day. We will use quotes and examples from the media to highlight key points, insights, and applications throughout the book. Finally, the third source is the wealth of social science research that has been conducted on numerous aspects of negotiation. This research has been conducted for almost 60 years in the fields of economics, psychology, political science, communication, labor relations, law, sociology, and anthropology. Each discipline approaches negotiation differently. Like the parable of the blind men who are attempting to describe an elephant by only touching and feeling different parts of the animal, each social science discipline has its own theory and methods for studying concepts of negotiation, and each tends to emphasize some parts and ignore others. Thus, the same negotiation events and outcome may be examined simultaneously from several different perspectives.[1] When standing alone, each perspective is clear but limited; combined, we begin to understand the rich and complex dynamics of this amazing animal. We draw from all these research traditions in our approach to negotiation. When we need to acknowledge the authors of a major theory or set of research findings, we will use the standard social science research process of citing their work in the text by the author's name and the date of publication of their work; complete references for that work can be found in the bibliography at the end of the book. When we have multiple sources to cite, or anecdotal side comments to make, that information will appear in an endnote at the end of each chapter.

We began this chapter with several examples of negotiations—future, present, and past. To further develop the reader's understanding of the foundations of negotiation, we will develop a story about a husband and wife—Joe and Sue Carter—and a not-so-atypical day in their lives. In this day, they face the challenges of many major and minor negotiations. We will then use that story to highlight three important themes:

1. The definition of negotiation and the basic characteristics of negotiation situations.
2. An understanding of *interdependence,* the relationship between people and groups that most often leads them to need to negotiate.
3. The definition and exploration of the dynamics of conflict and conflict management processes, which will serve as a backdrop for different ways that people approach and manage negotiations.

Joe and Sue Carter

The day started early, as usual. Over breakfast, Sue Carter raised the question of where she and her husband, Joe, would go for their summer vacation. She wanted to sign up for a tour of Southeast Asia being sponsored by her college's alumni association. However, two weeks on a guided tour with a lot of other people he barely knew was not what Joe had in mind. He needed to get away from people, crowds, and schedules, and he wanted to charter a sailboat and cruise the New England coast. The Carters had not argued (yet), but it was clear they had a real problem here. Some of their friends handled problems like this by taking separate vacations. With both of them working full-time, though, Joe and Sue did agree that they would take their vacation together.

Moreover, they were still not sure whether their teenage children—Tracy and Ted—would go with them. Tracy really wanted to go to a gymnastics camp, and Ted wanted to stay home and do yard work in the neighborhood so he could get in shape for the football team and buy a motor scooter with his earnings. Joe and Sue couldn't afford summer camp and a major vacation, let alone deal with the problem of who would keep an eye on the children while they were away. And Sue was already "on the record" as being opposed to the motor scooter, for obvious safety reasons.

As Joe drove to work, he thought about the vacation problem. What bothered Joe most was that there did not seem to be a good way to manage the conflict productively. With some family conflicts, they could compromise but, given what each wanted this time, a simple compromise didn't seem obvious. At other times they would flip a coin or take turns—that might work for choosing a restaurant (Joe and Ted like steak houses, Sue and Tracy prefer Chinese), but it seemed unwise in this case because of how much money was involved and how important vacation time was to them. In addition, flipping a coin might make someone feel like a loser, an argument could start, and in the end nobody would really feel satisfied.

Walking through the parking lot, Joe met his company's purchasing manager, Ed Laine. Joe was the head of the engineering design group for MicroWatt, a manufacturer of small electric motors. Ed reminded Joe that they had to settle a problem created by the engineers in Joe's department: the engineers were contacting vendors directly rather than going through MicroWatt's purchasing department. Joe knew that purchasing wanted all contacts with a vendor to go through them, but he also knew that his engineers badly needed technical information for design purposes and that waiting for the information to come through the purchasing department slowed things considerably. Ed Laine was aware of Joe's views about this problem, and Joe thought the two of them could probably find some way to resolve it if they really sat down to work on it. Joe and Ed were also both aware that upper management expected middle managers to settle differences among themselves; if this problem "went upstairs" to senior management, it would make both of them look bad.

Shortly after reaching his desk, Joe received a telephone call from an automobile salesperson with whom he had been talking about a new car. The salesperson asked whether Sue wanted to test-drive it. Joe wasn't quite sure that Sue would go along with his choice; Joe had picked out a sporty luxury import, and he expected Sue to say it was too expensive and not very fuel efficient. Joe was pleased with the latest offer the salesperson had made on the price but thought he might still get a few more concessions so he introduced Sue's likely reluctance about the purchase, hoping that the resistance would put pressure on the salesperson to lower the price and make the deal "unbeatable."

As soon as Joe hung up the phone, it rang again. It was Sue, calling to vent her frustration to Joe over some of the procedures at the local bank where she worked as a senior loan officer. Sue was frustrated working for an old "family-run" bank that was not very automated, heavily bureaucratic, and slow to respond to customer needs. Competitor banks were approving certain types of loans within three hours, while Sue's bank still took a week. Sue had just lost landing two big new loans because of the bank's slowness and bureaucratic procedures—and the loss of the salary bonus that landing a big loan would bring. But whenever she tried to discuss the situation with the bank's senior management, she was met with resistance and a lecture on the importance of the bank's "traditional values."

Most of Joe's afternoon was taken up by the annual MicroWatt budget planning meeting. Joe hated these meetings. The people from the finance department came in and arbitrarily cut everyone's figures by 30 percent, and then all the managers had to argue endlessly to try to get some of their new-project money reinstated. Joe had learned to work with a lot of people, some of whom he did not like very much, but these people from finance were the most arrogant and arbitrary number crunchers imaginable. He could not understand why the top brass did not see how much harm these people were doing to the engineering group's research and development efforts. Joe considered himself a reasonable guy, but the way these people acted made him feel like he had to draw the line and fight it out for as long as it took.

In the evening, Sue and Joe attended a meeting of their town's Conservation Commission, which, among other things, was charged with protecting the town's streams, wetlands, and nature preserves. Sue is a member of the Conservation Commission, and Sue and Joe both strongly believe in sound environmental protection and management. This evening's case involved a request by a real estate development firm to drain a swampy area and move a small creek into an underground pipe in order to build a new regional shopping mall. All projections showed that the new shopping mall would attract jobs and revenue to the area and considerably increase the town's tax treasury. The new mall would keep more business in the community and discourage people from driving 15 miles to the current mall, but opponents—a coalition of local conservationists and business people—were concerned that the new mall would significantly hurt the downtown business district and do major harm to the natural wetland and its wildlife. The debate raged for three hours, and finally, the commission agreed to continue the hearings the following week.

As Joe and Sue drove home from the council meeting, they discussed the things they had been involved in that day. Each privately reflected that life is kind of strange—sometimes things go very smoothly and other times things seem much too complicated. As they went to sleep later, they each thought about how they might have approached certain situations differently during the day and were thankful they had a relationship where they could discuss things openly with each other. But they still didn't know what they were going to do about that vacation . . . or that motor scooter.

Characteristics of a Negotiation Situation

The Joe and Sue Carter story highlights the variety of situations that can be handled by negotiation. Any of us might encounter one or more of these situations over the course of a few days or weeks. As we defined earlier, *negotiation* is a process by which two or more parties attempt to resolve their opposing interests. Thus, as we will point out later in this chapter, negotiation is one of several mechanisms by which people can resolve conflicts. Negotiation situations have fundamentally the same characteristics, whether they are peace negotiations between countries at war, business negotiations between buyer and seller or labor and management, or an angry guest trying to figure out how to get a hot shower before a critical interview. Those who have written extensively about negotiation argue that there are several characteristics common to all negotiation situations (see Lewicki, 1992; Rubin and Brown, 1975):

1. There are two or more parties—that is, two or more individuals, groups, or organizations. Although people can "negotiate" with themselves—as when someone debates in their head whether to spend a Saturday afternoon studying, playing tennis, or going to a football game—we consider negotiation as a process *between* individuals, within groups, and between groups.[2] In the Carter story, Joe negotiates with his wife, the purchasing manager, and the auto salesperson and Sue negotiates with her husband, the senior management at the bank, and the Conservation Commission, among others. Both still face an upcoming negotiation with the children about the vacation . . . and that motor scooter.
2. There is a conflict of needs and desires between two or more parties—that is, what one wants is not necessarily what the other one wants—and the parties must search for a way to resolve the conflict. Joe and Sue face negotiations over vacations, management of their children, budgets, automobiles, company procedures, and community practices for issuing building permits and preserving natural resources, among others.
3. The parties negotiate by *choice*! That is, they negotiate because they think they can get a better deal by negotiating than by simply accepting what the other side will voluntarily give them or let them have. Negotiation is largely a voluntary process. We negotiate because we think we can improve our outcome or result, compared with not negotiating or simply accepting what the other side offers. It is a strategy pursued by choice; seldom are we required to negotiate. In fact, as Kolb (2015) points out, there are many situations where negotiation is possible, but the parties fail to recognize the opportunity to negotiate, accepting (or rejecting) what the other offers without question. But there are also times to negotiate and times not to negotiate. Our experience is that most individuals in Western culture *do not negotiate enough*—that is, we assume a price or situation is nonnegotiable and don't even bother to ask or to make a counteroffer!
4. When we negotiate, we expect a "give-and-take" process that is fundamental to our understanding of the word *negotiation*. We expect that both sides will modify or move away from their opening statements, requests, or demands. Although both parties may at first argue strenuously for what they want—each pushing the other side to move first—ultimately both sides will modify their opening position in order to reach an agreement. This movement may be toward the "middle" of their positions, called a compromise. However, truly creative negotiations may not require compromise; instead, the parties may invent a solution that meets the objectives of *all* parties. Of course, if the parties do NOT consider it a negotiation, then they don't necessarily

BOX 1.1 The Risks and Benefits of Changing the Rules of the Game

Former US President Donald Trump describes himself as a great negotiator. Many negotiation researchers have studied his behavior and his deals, including his tendency to frequently use "unorthodox" negotiation methods (both in his private business deals and in his capacity as President). For example, in the first few years of his presidency, Trump unilaterally withdrew from the Trans-Pacific Partnership and the Paris Climate Accords, met face-to-face with the premier of North Korea, and threatened to withdraw from NATO while also publicly embarrassing NATO members by revealing their nonpayments of expected financial contributions. In these actions, and a number of others, Trump broke from the established and expected "rules of mutual adjustment" by unilaterally changing the expected "rules" of give-and-take.

According to Cutcher-Gershenfeld (2019), Trump "approached the bargaining over how to bargain by using unrestrained forcing" (pp. 94–95). Instead of following the expected pattern of "tit-for-tat," Trump uses pressure (public and private), ultimatums, and threats of future dire consequences if the other party does not comply. There is no expectation that the other party might gain from engaging in this process, as long as Trump achieves his objectives.

There are some benefits to using this strategy. It can be an effective approach when parties are deadlocked; it can accelerate negotiations; it focuses attention on the stated position of the actor; and it may actually help to achieve some short-term gains.

However, Cutcher-Gershenfeld explains that there are some significant risks and disadvantages of unilateral forcing:

- Once begun, it is likely that the remaining negotiations will remain distributive because the processes for effective give-and-take or problem solving have not been put into place.
- Second, it is likely that the other part(ies) will respond with equal and opposite unilateral actions which lead to a situation of greater unpredictability, or an escalation into dangerous gridlock.
- While the negotiator seeks short-term advantage, many of the other parties may be seeking a productive long-term relationship, and may change their aspirations when confronted with unilateral demands.
- In long-term complex negotiations, the roles of chief negotiator and ultimate decision maker are usually separate, for important reasons. When the chief negotiator and decision maker are the same person (Trump), tactical failures may create negative reputational consequences that cannot be repaired by "replacing" one of the actors.

In summary, while tactics that "change the rules" of give-and-take may yield some short-term gains from inexperienced victims, the long-term consequences can be significantly negative. If there are procedural rules and approaches that are creating obstacles or unnecessary delays, it is best for the parties to mutually agree to change the rules, rather than have unanticipated strategies forced on them.

Source: Adapted from J. Cutcher-Gershenfeld, "The Risks and Benefits of Unilaterally Changing the Rules of the Game," *Negotiation Journal* 39, no. 1 (2019), pp. 93–97.

expect to modify their position and engage in this give-and-take. Alternatively, one side might violate the expectations of give-and-take—see Box 1.1.

5. The parties prefer to negotiate and search for agreement rather than to fight openly, have one side dominate and the other capitulate, permanently break off contact, or take their dispute to a higher authority to resolve it. Negotiation occurs when the

parties prefer to invent their own solution for resolving the conflict, when there is no fixed or established set of rules or procedures for how to resolve the conflict, or when they choose to bypass those rules. Organizations and systems invent policies and procedures for addressing and managing those procedures. Libraries have a policy for what they should charge if a rental video is kept too long. Normally, people just pay the fine. They might be able to negotiate a fee reduction, however, if they have a good excuse for why the video is being returned late. Similarly, attorneys negotiate or plea-bargain for their clients who would rather be assured of a negotiated settlement than take their chances with a judge and jury in the courtroom. Similarly, the courts may prefer to negotiate as well to clear the case off the docket, save money, and assure some payment of a fine rather than risk having the defendant set free on some legal technicality. In the Carter story, Joe pursues negotiation, rather than letting his wife decide where to spend the vacation; pressures the salesman to reduce the price of the car, rather than paying the quoted price; and argues with the finance group about the impact of the budget cuts, rather than simply accepting them without question. Sue uses negotiation to try to change the bank's loan review procedures, rather than accepting the status quo, and she works to change the shopping mall site plan to make both conservationists and businesses happy, rather than letting others decide it or watch it go to court. But what about that motor scooter . . . ?

6. Successful negotiation involves the management of *tangibles* (e.g., the price or the terms of agreement) *and* the resolution of *intangibles*. Intangible factors are the underlying psychological motivations that may directly or indirectly influence the parties during a negotiation. Some examples of intangibles are (a) the need to "win," beat the other party, or avoid losing to the other party; (b) the need to look "good," "competent," or "tough" to the people you represent; (c) the need to defend an important principle or precedent in a negotiation; and (d) the need to appear "fair" or "honorable" or to protect one's reputation; or (e) the need to maintain a good relationship with the other party after the negotiation is over, primarily by maintaining trust and reducing uncertainty (Saorin-Iborra, 2006). Intangibles are often rooted in personal values and emotions. Intangible factors can have an enormous influence on negotiation processes and outcomes; it is almost impossible to ignore intangibles because they affect our judgment about what is fair, right, or appropriate in the resolution of the tangibles. For example, Joe may not want to make Ed Laine angry about the purchasing problem because he needs Ed's support in the upcoming budget negotiations, but Joe also doesn't want to look weak to his department's engineers, who expect him to support them. Thus, for Joe, the important intangibles are preserving his relationship with Ed Laine and looking strong and "tough" to his engineers.

Intangibles become a major problem in negotiation when negotiators fail to understand how they are affecting decision making or when they dominate negotiations on the tangibles. For example, see Box 1.2 about the problems that the urge to win can create for negotiators.