

## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

This exercise will be timed. Please do everything you can to reach a settlement within 10 minutes. You may make up any story you wish, to win as much of the \$2 as possible. However keep in mind that it matters a lot that you are able to meet your deadline and actually reach a settlement; this is your most important priority.

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## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

Try to get as much of the \$2.00 as you can. Bargain as effectively as possible; make up any story you wish.

It is extremely important to you that you at least get bus money to get home tonight: 50 cents. If you do not get at least 50 cents, you will be walking for more than an hour and it will be dark and cold, out where you live. Actually, get more if you can; be as effective as possible.

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## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

Try to get as much of the \$2.00 as you can; make up any story you want.

Whatever else your objectives, you should be careful to get at least 80 cents of the \$2.00 because you will have to make a toll call to your family and they will be terribly worried and upset if you do not make that call. So do as well as you can, and remember you must get at least 80 cents.

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THE \$2 BARGAINING SIMULATION

**Secret Instructions**

This is zero-sum bargaining and you should get as much of the \$2.00 as you can, with any story you like.

It is really important that you should get at least \$1.00 in this round.

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Prof. Mary P. Rowe

THE \$2 BARGAINING SIMULATION

**Secret Instructions**

You have been carefully chosen for a particular goal in this simulation. It is important that you should win at least \$1.30.

Feel free to make up any story you like; get as much of the \$2.00 as you can.

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Prof. Mary P. Rowe

## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

This is zero-sum bargaining and you should get as much of the \$2 as you can, with any story you like.

It is really important that you should get \$1.60 in this round.

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## The Two Dollar Game

Prof. Mary Rowe, MIT

The Two Dollar Game is the opening game in Negotiation and Conflict Management.

It was developed in order to illustrate some basic tools of negotiation theory, in the simplest possible game.

Major topics include:

- The nature of **competition**—“**distributive**” or “**win-lose**” **bargaining**—in which the gain of one person is the loss of another. This kind of bargaining is contrasted with **collaborative** (also known as “**integrative**” or “**win-win**”) **bargaining** in which both parties win.

In real life it can be difficult to illustrate pure win-lose bargaining, because true win-lose situations and pure win-win situations are relatively rare. (Most negotiations are actually “**mixed motive**” **bargaining**, including both distributive and integrative elements. Pure win-lose bargaining is rare in part because intangible elements like “relationship” enter into most negotiations. Pure win-win is rare because resources are scarce).

The Two Dollar game therefore illustrates all three strategies in negotiations. The game initially appears to be pure win-lose. But because of secret instructions, and the nature of repeat negotiations with the same person, the game will become a mixed motive game, or even integrative, in the last two rounds, if players trade money for intangible benefits.

- The concept of a “**bargaining range**” which can be negative, if there is no room for settlement—or positive, if there is room for settlement. It also introduces the idea of a Resistance Point or a “**Reservation Point**” (**RP**—the point at which a person will either stop bargaining, or move their RP to achieve a settlement.

The idea of the RP also introduces the idea of a fallback position or **BATNA**—the Best Alternative To a Negotiated Agreement, since this best alternative usually defines where the RP will be. And it introduces the idea of a “**target**”—the amount that a person wishes to get in the process of bargaining.

- Major strategies that people adopt in negotiations: **Competition, Collaboration, Avoidance, Compromise, Accommodation, and Revenge**. These strategies are the same as those we teach in the negotiation theory model, and the first five are also in the Thomas Kilman Questionnaire.

- How a player might be able to “**diagnose**” his or her own natural strategies in negotiation (strengths in strategic play and also strategic weaknesses). People who instinctively love the game (and many students do love this game) usually have strong Competitive skills. Some players easily Compromise ---in fact they will do this even if they are told not to. Those who instinctively hate the game may have high Avoidance or Accommodation scores in the Thomas Kilman Questionnaire. People who “escape” the game and break the rules in order to create side deals often have Collaborative skills. And people who are vengeful on the third round begin to understand the Revenge strategy.

One can also possibly learn something about the natural strategies of the other player by observing how they play this game. The game is, thus, a quick diagnostic, in conjunction with the Thomas Kilman Questionnaire, for neophytes to learn their natural skills and vulnerabilities.

- An understanding of why “**splitting the difference**” is not the only way to divide what is on the table, and why it may or may not be the best way, in real life.

- The importance of **intangibles** (such as relationship, trust, friendly feelings) as well as **tangibles** (in this case money) as sources of value in a negotiation.

- The huge importance, in real life, of **repeated interactions with the same person—in building or losing a good relationship**. (We do not usually bargain just once with the same person. We often interact with the same person more than once. This means that even a simple game of dividing two dollars, in what is supposed to be a win-lose game, is not in fact purely competitive. Because of the effect of successive interactions, positive and negative feelings become part of the intangibles that are won or lost in the interaction.)

- The fact that one’s **strategy is not the same as one’s style** and demeanor. (One can be very competitive and very charming, or collaborative and aggressive, or competitive and aggressive, etc.)

- The importance of **ethics in negotiations** --- how comfortable am I with making up a story, and how do I feel about a negotiations partner who lies or threatens?



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**Here is how it works.** The class is divided into pairs. Every pair has a General Instruction, to divide \$2 between the two players in the pair. They are instructed that the game is pure win-lose—no side deals or subterfuges are allowed.

Although the players do not know this at the beginning, they will play the game three times. The first and second time they change partners. But the third time they are suddenly told they will play again with the same partner.

Players naturally first think, “This is easy, we will just divide the two dollars in half.

But each also has a Secret Instruction. The Secret Instructions tilt each player toward competition, accommodation, or compromise. The Secret Instructions deal with intangibles (my reputation) and tangibles (the amount of money that the player must win). Some Secret Instructions also deal with style and demeanor. (In addition, some students, although breaking the rules, will come up with collaborative side deals).

**Debriefing the game after the first round:** In some pairs there is a negative bargaining range because the players have each been told to get more than \$1. In some pairs there is a positive bargaining range because the “targets” add up to less than \$2. This situation illustrates the idea of bargaining ranges, reservation points (their BATNAs) and targets, and the reactions of the students will also help them diagnose their natural strategies, as spelled out above.

**After the second round:** The second round deals with intangibles. Here the Secret Instructions deal with style, and intangible values such as one’s reputation or distrust of the Other. This round also introduces the idea of **common tactics associated with common strategies**. For example one instruction requires the player to speak almost not at all—a very competitive tactic.

**After the third round:** The third round is a reprise of both tangible and intangible factors in negotiation. It also serves to show the **importance of a previous interaction** with the same person. In some pairs a player will deal kindly with an Other who dealt kindly in Round Two. In some pairs there will be an impulse towards revenge.

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The Two Dollar Game thus efficiently introduces some major elements of negotiation theory. It is debriefed in a journal written by each player (later read and commented upon by the professor). The player is instructed to notice what can be learned about oneself, and also about others.

Players are regularly surprised to find that some people love the game (or hate it), as distinguished from their own reactions, and are regularly surprised that there are several available negotiation strategies. (Most neophytes are familiar with only one or two strategies). People are regularly surprised at the importance of a previous negotiation.

Many students are surprised at the amount of emotion engendered by an obviously simplistic game. This last is an important point because of the real-life importance of emotions in negotiation.

The game is easily debriefed a second time, later on, in terms of Sources of Power, a set of theoretical ideas introduced in the following class. For example, rewards, sanctions, force and the threat of force, relationship, BATNA, moral authority, and commitment power can all play a role in the Two Dollar Game. Students also regularly and instinctively “invent” legitimate authority, expertise and information power to bolster their stories.

Prof. Mary Rowe  
Class #1 15.667

**\$2 Bargaining Secret Instructions  
which tilt a simple negotiation away  
from “splitting the difference”**

Time: 10 minute limit vs. Don't worry if no settlement—the effect of deadlines

Bargaining Range—the effect of expectations and anchoring

50¢ vs. 50¢  
80¢ vs. \$1.30  
\$1.30 vs. 50¢  
\$1.40 vs. \$1.40

Constraints on Competitive/Distributive Behavior—the effect of long-term relationships

Possible tape recorder  
You will be dependent on O  
Public reputation  
O has had a hard time

Tilting toward Competitive/Distributive Behavior—the effect of a tough style, lack of trust

You are a battle ax  
O is untrustworthy - be careful  
Say as little as possible - be silent  
Create tension - be tough

Classroom Situation: repeating with the same person (the effect of prior negotiations on this negotiation)

Prof. Mary P. Rowe

## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

You may make up any story you wish, to win as much as you can from your colleague.

If you do not reach a settlement this session, don't worry about it. You will have a chance to continue with this person. What matters most is your meeting your own objectives when you do settle, (so think through carefully what those objectives are).

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## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

You are a well-known and consistent battle-ax. You are known for always getting every penny out of every competitor.

Please try to imagine that you will never see the other person again, but everyone

else who matters to you is waiting to see if you can play this game effectively. Make up any story you want, as strong a case as you can. Get as much of the \$2.00 as you can.

This is a chance to live up to your formidable reputation as a really effective competitor;

go to it!

## BUILDING COALITIONS

The following advice will help you to build coalitions that serve your negotiation purposes:

**1. Past affects present:** Remember that alliances previously formed can affect the current negotiation.

- Consider forming alliances early-on.
- Be sensitive to the impact of prior interactions or relationships between other parties on the current negotiation.

**2. Power comes in many forms:** Don't rely just on positional authority.

- The ability to form alliances and to de-stabilize the alliances of others is, by itself, a source of "value."
- Coalitions also are a source of power in terms of rewards, sanctions, and relationships.
- Look for opportunities to play a mediating role.

**3. Coalitions are rarely stable:** Make a habit of checking in with those in your coalition.

**4. Exclude with care:** Be wary of negative repercussions of excluding a party from a coalition.

- Exclusion easily can foster negative emotions such as humiliation or resentment.
- Unexpected coalitions can form quickly, especially if people feel aggrieved, resentful, or humiliated by a party.

Professor Mary P. Rowe, Cambridge, MA 02139

## **BARRISTER, COUNSELOR, SOLICITOR & AVOCAT**

### General Instructions

Barrister, Counselor, Solicitor & Avocat has decided to set up major law offices in Beijing and Shanghai. Barrister and Counselor is a large international law firm. Since the early 1980's when the People's Republic of China decided to permit a few non-Chinese lawyers to work within the country on international commercial problems, various law firms have established small offices in major Chinese cities. Barrister and Counselor is willing now to gamble on the possibility of getting in on the ground floor on this new century of legal work, for many billions of dollars worth of commercial agreements between international companies and the PRC.

The logistical problems are enormous. In keeping with recent practice among some top US law firms, Barrister and Counselor has decided that the administrative head of their new China Division had better be an MBA rather than an attorney. They've been looking for someone young and adventurous. Their China manager needs to take in stride the many frustrations of living and working in this unusual country—and have the energy to help build a major new venture. Also, they need someone willing and eager to start with a small office this year in the expectation of growing by a factor of ten or twenty during the next decade. So they want someone young—but not too young. Appropriate work experience is also a definite requirement.

B&C needs to hire a person or persons with extraordinary skills. The candidate should have Asian experience and, ideally, speak one or more Chinese languages. If possible, this manager would also have considerable information technology experience. B&C wants their China offices to exemplify the latest computer technology in every aspect of their operations, for internal and marketing reasons. First, there are the demands of the firm. As a major law firm in a country only recently redeveloping its legal structure and international legal practices, B&C will need to keep track of new laws and of every relevant new contract and treaty provision they can find out about. They will need access to LEXIS (a legal information data base) and sophisticated word-processing, capable of handling English and Chinese documents. They will also need very sophisticated security provisions—including encrypting and decrypting—their intra-China and international communications. B&C also wants the

latest information processing technology for marketing reasons: they hope to impress their Chinese contacts.

Many other skills are needed. The new manager will have a chance to advise on the business side of various legal negotiations. This person will supervise all the logistical functions of the new offices, from facilities planning to supervision of the human resources officer to financial planning and budget control.

Like everyone else in the firm, the manager will have a chance to help make personal contacts with Chinese officials. There is however a managing partner with extensive relationships among the senior members of government in the PRC.

C.H. Wang has been looking for the right young manager for several months. Several West Coast schools will graduate Chinese-speaking MBAs, but none of them this year seem to have the appropriate technology background. B&C could hire two people (the manager and a computer systems expert), but Wang would rather not do that. There will already be a senior attorney as legal director of the office, and Wang does not want too many different chiefs, in an initially small operation, unless absolutely necessary.

Wang has identified a candidate, Piro Torres, who appears to have all the required skills. Prior to meeting Torres, Wang had been increasingly concerned about whether such a person actually existed.

Piro's maternal grandmother, an American, was a sociologist in Beijing, where she met Santiago Torres. Torres, a very successful international businessman, returned with his wife to Chicago, where he became a US citizen. They raised a very international family. Their son, a lawyer, runs the family business in the Far East. Piro grew up speaking English, Japanese, Mandarin, and Tagalog, and also learned a great deal about commerce, by helping out with the family business.

In Wang's opinion Piro's Chinese is not truly fluent, but Piro speaks idiomatically, with an acceptable North Chinese accent. Moreover, Piro ran the computer system at a government lab. With an engineer's degree in computer science and an MBA in international management science, Piro seems to meet many requirements. Best of all, Piro has that quiet grace of manner that will "fit in"—both with a distinguished law firm and within the proud and ancient culture of China.

C.H. Wang is looking forward to the salary negotiations with Piro Torres, and hopes a satisfactory arrangement can be made.



## **Instructor's Notes**

### ***Barrister, Counselor, Solicitor and Avocat***

It is commonplace for there to be a wide, positive bargaining range between two negotiators or disputants, and for the two people to fail to find any settlement at all, let alone a good settlement. This case is meant to illuminate the fact that many situations could be highly collaborative, but are actually negotiated in a competitive way. The case also illuminates the importance of INTANGIBLES in negotiations, especially in workplace negotiations, as well as tangibles.

(In this real case, Piro took the job, for relatively low salary but many benefits-and made a great deal of money as the firm grew, sharing in the profits.)

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## **THE BASIS FOR INTEGRATIVE "EMBELLISHMENTS" in Barrister, Counselor**

### **PIRO TORRES**

- Excitement of new venture, new markets, very interesting country, huge possible gains.
- The chance to work on major IT questions.
- Family tradition of working in China; pleasing parents by looking up old associates
- Contact with Grandmother: being with her all summer until September, seeing her regularly.
- Contact with the family; "staying closely in touch," and trips home.
- Educational loans.
- New computer and other communications equipment.
- Moving expenses.
- Storing things.
- Entertainment expenses. Clothing allowance.
- Unforeseen expenses.

### **C.H. WANG**

- You want someone who will "fit in," in China.
- You need someone by September.
- You want many skills in one person: languages, management experience, information technology, network security, even possibly personal connections in the PRC.
- Housing and transport and entertainment and clothing expenses will be fully provided.
- Storage will be fully provided.
- The manager must go to US three or four times a year (company paid).
- All new, sophisticated computer equipment will be available to the new manager at home and at work, plus free satellite transmission time for unlimited communications and data transmission.
- The first \$70,000 of foreign income is tax free.
- Moving expenses will be fully covered.

- You are willing to pay *either* salary and bonuses, or salary plus percentage of profits.
- B, C, S & A is a worldwide firm. There may be a future for Piro in many other countries.

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## **PIRO TORRES**

### **Private Instructions**

You are very excited about the possibility of working with Barrister & Counselor, but you are also cautious. The whole scene in China is still very risky, very frustrating and very competitive. You also have other good job possibilities. One is working with a computer company that is setting up production facilities in the Far East. You have heard they are paying \$99K plus excellent stock options. Another job possibility is to go with a new little start-up in Cambridge, Massachusetts, which is working on experimental software to permit much more efficient electronic commerce in simultaneous English/Chinese translation. You're not sure about salary there, but could become very wealthy with stock options if the company succeeds—the technology could rapidly extend to other languages. Both jobs would be based in Massachusetts, but you would be travelling at least once a week.

Being based in the States has strong appeal. Grandmother Torres is getting frail and old. You are very close to her; you'd like to be able to see her in Chicago at least at Christmas and preferably more often. You really want to stay in touch with her and with the rest of your family.

You have been trying to think through the question of salary. You have educational loans to pay back, at \$2,000 a year. You are eager to get a much more powerful personal computer. Moving to China would be enormously expensive: you figure at least \$8,000. Storing some things you do not want to sell will cost you \$2,000 a year. It's hard to figure what you will need to live in Beijing. Your housing will be provided. You will not have a car; transportation will be provided. But what about expenses of entertaining? You are also particularly concerned about staying in touch with your family. You want a salary that will cover a trip home each year, long, expensive phone bills, and unforeseen expenses. You feel these expenses could easily total \$10,000 a year. The question of stock options is hard to figure for a law firm and so are the tax implications of being a resident abroad. What you would really like is the same proportion of profit, from success of the China office, that the participating lawyers will receive.

Your feelings are all in all very mixed. On the one hand this kind of job is in your family tradition and your whole romantic soul wants to go. Moreover you have a special interest in problems of network security and security of international information transmission—and three years of very successful experience running the computer system of a big government lab. You also are a risk-taker and love a challenge, and think there's a one-in-ten possibility that B&C will become enormously successful in China. On the other hand you are very deeply attached to your family and your aging grandmother and you are quite prepared to live abroad later in your life. Just thinking about your family makes you want to spend the summer in Chicago after graduation. Still, on the other hand, if you do go to China, maybe you could look up some of

Grandmother's old friends and their children and grandchildren; they might even be good contacts for the firm.... and Grandmother would doubtless be very pleased....

How will you bargain for salary? What are your interests? What is your reservation point? Your target salary? What are the interests of B&C? How will you find out? What will their reservation and target points be? Can you change them?

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## **C.H. WANG**

### **Private Instructions**

You really think you want to hire Torres. The firm needs someone on board by September, and you feel you have scouted through this winter's cohort of new MBA's.

You very much wish you could have found everything you need in one person. Torres is a little young, with languages that are good but not perfect. You are quite concerned about needing someone who understands problems of security of business records and international business communications. You wonder if Torres actually understands these problems or whether you'll also need to find a network security consultant. You keep asking yourself if you should look for someone older... perhaps an overseas Chinese, who has done business in the PRC? But such people are not necessarily likely to be state-of-the-art in information technology. No one is perfect, you reason; let's get Torres if the salary negotiation goes well.

You review the question of finances. You pushed Barrister & Counselor into this new venture. You have only limited start-up funds and there will be a number of jobs to fill. You don't want to set too high a bench mark for the senior administrative job—you cannot pay more than you pay the junior law partners of B&C.

Circumstances in China mean that B&C staff in Beijing must have their housing and transportation fully provided. The firm will rent whole floors of a major hotel, for both offices and expatriate living quarters. And they will hire cars with drivers. The law firm has already rented space in a storage warehouse franchise (there actually is such a warehouse near this school of management) for all the personal effects of partners and other US employees who will go to Beijing.

You will also have to pay for three or four round trips a year to the US, for your new manager to stay in close touch with US colleagues. You need to buy all the new computer equipment which will be installed in the hotel. You have located a reliable local Internet Access company to provide unlimited email and document transmission around the world via a local phone call. (All in all, starting up this new venture is very expensive.)

You have investigated salaries paid to recent graduates of this school of management. Your guess is that Piro Torres would be offered \$90K+ if accepting a job in this country. You believe the average US professional spends about 50% of salary for housing, car and home entertaining. For the manager of the B&C China division, all of these expenses will be borne by Barrister & Counselor; in fact the expense account for

entertaining will be quite generous. (There is a specific \$10,000 expense account for any new clothes that might be needed by the candidate.) Moreover Torres will have elaborate computer and communications capability in the offices directly adjacent to living quarters. You estimate moving expenses (round trip, eventually) could reach \$20,000; the firm will simply pick up all moving expenses. You feel these points should all be very attractive to Torres. In addition, you believe some salary and all benefits may be tax-exempt.

C.H. Wang  
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You are aware of the start-up cash-in-hand, year-end bonuses, stock options and partnership possibilities for a person like Torres, and you speculate about how to manage this point.

As you pull all these points together, you conclude as follows. What you would like to pay Torres would be about \$30,000 for this coming year. You would also be willing to pay a bonus up to a limit set by the amount of each year's salary. For the first year your hope would be to pay \$30,000 plus a signing bonus of \$10,000, plus a Welcome on Board bonus of \$10,000, payable the first day of work in China. If necessary you will, in addition, promise a year-end bonus of up to \$30,000 at the end of the first year. For the following calendar year you expect to pay \$40,000 a year, if all goes well, plus whatever year-end bonus you negotiate, (up to another \$40,000). In addition, of course, B&C will be providing housing, transportation, moving expenses, storage of household effects, business entertainment expense account, clothing expense account, use of computer system and communications equipment, as detailed above.

However you are not at all sure what it will take to get Torres to relocate. What is the limit of what you would be willing to pay to get Piro Torres? Your absolute outside limit is set by the compensation offered to the junior law partners who will work for Barrister and Counselor in the PRC. They earn \$70,000 a year (plus the standard housing, etc. listed above) plus a percentage of profits from the China division. (*This percent of profits is instead of a specific bonus.*) But remember: you would much rather pay less than this.

What will be your bargaining strategy? What do you think are Torres' interests? What would be Torres' reservation point? How will you find out? Will you be able to change the target compensation package—and reservation point—that Torres has set?

## A Butterfly's View of 15.667 — Negotiations and Conflict Management

(see which questions you can answer?)

- 1) Is there one especially "**rational way**" to divide \$2 with a stranger? (If you think there is not, what determines the family of "rational choices"?)
- 2) Do you think that most **business decisions are made rationally**? Is there usually one optimum decision?
- 3) You are facing a specified conflict or negotiation with someone about whom you know only demographics, style and job description. **You have only an hour**. What might you do to prepare?
- 4) In real life, in a super important case, how and when should you choose which **strategies and tactics** you will use in a negotiation? On what factors ought this choice to depend?
- 5) How can one try to prevent a "**bad attitude death spiral**" in a negotiation with someone you do or do not know well? Where does a desire for **revenge** come from?
- 6) Which of the ways of **building trust** appeal to you the most?
- 7) What is the difference between **manipulating people and inspiring them** (as a leader)?
- 8) If you or someone else has gotten **painted into a corner**, through a commitment that should never have been made, what could be done?
- 9) Can you tell when someone is **lying** to you?
- 10) How might you figure out the strategy and depth of strategy the Other is using in a negotiation?
- 11) Within a close team or a couple, if you have no time in each negotiation to pursue the best win-win solutions, where both sides gain simultaneously, how can A and B behave so **that both are actually gaining, in the aggregate**, over time?
- 12) How would you define **effectiveness** in a negotiation? Are you effective? Who do you know that is effective?
- 13) Is it the choice of negotiating *strategy* that determines **effectiveness**? If so — which strategy is most effective?



- 14) If not — which tasks and skills most fundamentally determine the effectiveness of a negotiator?
- 15) What proportions of all your negotiations and conflicts are "mixed motive"? What proportion is purely collaborative? and what proportion is purely competitive? After you take the Thomas Kilmann Questionnaire, assess the strengths, in the five basic strategies, that you bring to your negotiations. Are your **skills in balance with the requirements of the negotiations** you are engaged in? (Which of the tactics on the Tactics sheets in Negotiation 101 do you want to practice?)
- 16) Imagine you are **assembling a team** to start a project or a company. What would you look for, in the people you would choose for your team, with respect to the five sets of strategic strengths in negotiation?
- 17) Given that most people think they are ethical, *and* that people are not at all the same with respect to **ethical standards**, would you want to give your future employees or partners an Ethics test? :-) See if what they *actually* do is what they say they *should* do, when ethical questions arise? Just see if they do what they agree to do, in negotiations with you? Suppose they think different standards should apply to them than to "most people"?
- 18) What is the likely effect of having an **observer** when you negotiate?
- 19) In complex negotiations what are some of the reasons for **sidebar discussions** with someone on the Other's team? Are there any reasons not to have sidebar discussions?
- 20) If you wanted to **win over a ten-person decision-making group** about a certain proposal, what are some of the ways you might do this successfully?
- 21) Please think of one or two negotiations that are truly vital to you — these could either be negotiations with yourself or negotiations with Others. **What is it that is being negotiated?** Think for example, about money, time, status and prestige, trust, space, family status, future growth possibilities, etc. Is money the most important subject? Name some ways you could find out how effective you are in this real-life negotiation that really matters to you.
- 22) The Last Task in a negotiation is: that all parties must come to see the outcome as the best possible under the circumstances. When is the last time you have seen the failure of the Last Task in a negotiation? Why did this happen?
- 23) Under what circumstances would you make the **first offer** in a competitive negotiation?
- 24) Under what circumstances would you **lay out all your relevant real interests** in a negotiation?

- 25) Name some elements of process you would want to think about, if you were going to negotiate for your side on a two-person team.
- 26) In a setting with coalitions, would you prefer to be a "pivot" person, or the person with the most tangible resources, if those are not the same?
- 27) Some of the options for dealing with complaints are: listening, referring people to other resources, just giving or receiving needed information, helping people help themselves through developing choices and coaching, shuttle diplomacy, formal mediation, fact-finding, arbitration or adjudication (and managerial decision-making), systems change, generic approaches, agency complaints, lawsuits, going to the newspapers. Which of these are more likely to be collaborative? Which are more likely to be competitive? Which will likely be "mixed motive"?
- 28) Some sources of power in negotiations include: legitimate authority, rewards, sanctions, force, information, expertise, elegant solutions, commitment, moral authority, BATNA, relationships. Which of these sources of power do you need for each of the options above, for dealing with complaints?
- 29) Who should decide which complaint option or conflict management option is chosen? The manager? The complainant?
- 30) Which is the most cost-effective complaint handling option'?
- 31) What does a person in an organization think about first when he or she wants to raise a concern or make a complaint?
- 32) Is it possible to go outside the organization with a complaint and still have a normal work life thereafter within the organization? What does your answer mean for conflict management system design?
- 33) What is the first question to ask yourself when you face a dispute or a complaint as a manager?
- 34) Which sources of power do people turn to when they feel powerless? What is the effect?
- 35) Is there such a thing as a "frivolous" complaint? What would you want to try, if someone kept blaming problems on other people?
- 36) Under what circumstances is a Difficult Person not "difficult"?
- 37) Which sources of power are likely help the most, in dealing with a very Difficult Person?

- 38) How do you manage your own emotions in conflict situations? (Do you consciously manage your emotions at all, or do you simply react?) What do you do if you start to feel yourself getting upset?
- 39) Do you try to affect the emotions of others in a conflict situation? How? For what purpose?

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## Dealing With An Aggressive Competitive Negotiator

You are the Sales and Marketing Manager of a small firm that manufactures and sells industrial automation systems. These systems are micro-processor-based control units, which semi-automate large industrial machinery. This is a new technology.

Your sales and field service team consists of eleven women and men located in Raleigh Durham, North Carolina near the East Coast. Annual revenues are approximately \$10,000,000. Most of the orders for your equipment are for one or two units at a time. The average price of the units, although there are several models with numerous options each, is about \$15,000.

A bright young engineer in your firm has just developed a PC-based networking system that allows users of your units to link their units together to retrieve production information automatically from the production machines. None of these network systems has as yet been sold, nor have they been put into long term factory operation, though beta tests of the system show excellent results. The network system has been priced at \$35,000.

The industry to which you were selling does not have a great deal of new technology in it. As such, your products are likely to be greeted with skepticism and distrust. The customers in your market are very conservative and need everything proved to them. This typically means, for example, many trial installations of your equipment.

You have four competitors who have brought similar control units onto the market at about 70-80% of your price. This is very worrisome. Once has a customer has decided on a type of equipment, it is very unlikely that they will switch to another type, because of the learning curve required by the machinery operators. In other words, if you make the first sale you are almost guaranteed future sales. On the other hand, no one else is now selling a network system.

The negotiation in question involves a very progressive and efficient Seattle manufacturing company, privately owned by Mr. Canny. The company is located on the outskirts of Seattle on the West Coast, far away from North Carolina. Mr. Canny has approximately 50 machines that can be outfitted with your units. You have installed one

of your control units as a trial installation — and so have each of the four competitors. All five units have been operating on adjacent machines during the last 2 month period. Mr. Canny has decided that three of the competitors' units are undesirable; you remain in the running with one other competitor.

Your remaining competitor is located approximately 40 miles from Mr. Canny's Seattle factory, while you are located far away. Your competitor's pricing is consistently about 60% of your prices and their units are comparable. However, their units do not have the number of options nor do they have the flexibility that your units have. Nor do they have a continuous improvement engineer like your young colleague who built the networking system. Most important your competitor's control units do not have a networking capability. The networking system is clearly a point of major advantage; Mr. Canny seems very interested in being able to access real time information from the manufacturing machines. According to Mr. Canny, your competitor is claiming "the ability to provide a network," but you know they do not have one. You have brochures and literature to explain your network system, but you do not have any installed working system to show off. This will be your first.

You have made several trips to meet with Mr. Canny accompanied by your local sales representative, during the term of the trial installation. Mr. Canny is a physically fit, ex-Green-Beret drill sergeant who runs his business with an "iron fist". It is not unusual for him to interrupt a meeting with you to solve a problem brought in by one of his employees. It is also not unusual for him to scream at that employee regardless of who is present. Canny dresses in old Army fatigues. He walks tough, talks tough, and presses you hard with streams of difficult questions.

In an attempt to close this deal, you have made several visits to see Mr. Canny. Each time you have discussed the various options that your units make available to him. Each time you have gotten into a long discussion on which ones he actually needs. At the same time, Mr. Canny has been negotiating with your competitor, who is, as he says, "just down the road."

At each negotiation, you have tried to summarize all the technical points which have just been discussed — and then move to the financial points. You have offered a volume discount and have discussed the possibility of offering certain options for free. Each time Mr. Canny has pointed out that your competitor's price is much lower and that

your prices are just too high. He then just stops talking about financial issues — beyond demanding that your prices drop.

However, he is very interested in your networking system and wants to know what type of deal you could put together for half of his units with your networking systems. He explains this idea by saying that, if all goes well with that installation, he will put units on the remaining 24 machines in his shop. He continues to discuss this plan in great detail without making any move toward meeting your price.

Each time you meet you start from the point where you left off the time before. However, you have never been able to close the deal at the end of the meeting. Mr. Canny drives you to the airport each time asking more questions about the networking system.

This order is very important to you because of its size, the future potential of modelling the network and because it is in your competitor's backyard. Your competitor, meanwhile, has lowered their price to approximately 50% of your price and is apparently promising a networking system, at a price to be determined that is sure to be lower than your price of \$35,000.

Each meeting you have with Mr. Canny costs you about \$1,500 in expenses. This is a big drain for a small company. Each time you come back empty-handed your CEO gets more upset. You need to bring this "never ending" negotiation to an end. You need to win the order to avoid leaving the customer alone in Seattle with your competitor. You find Mr. Canny very intimidating and are wondering how to deal with him.

## METHODS TO CHANGE THE GAME TO COLLABORATION

1. Spend enough time!—listen to the Other-don't avoid—do negotiate.
2. "Name" the distributive strategy or tactics or language of the Other (talk about the potential for joint gains and elegant solutions).
3. Negotiate over the process before the substance. Offer and then develop first steps based on the principles which should decide elements of settlement. Agree to cease destructive acts during the negotiation.
4. Propose a brainstorming phase with the Other.
5. Separate off a brainstorming team (or teams) to work separately.
6. Take a recess (i.e. "go to the balcony", Ury), for each side to calm down and to consider matters without distracting emotions.
7. Engage in sidebar discussions or delegate issues to sidebar discussions.
8. Review the facts you both have. Consider seeking new facts. Consider joint data gathering.
9. Change the players or the interactions of certain players; add in new players.
10. Take up agenda items that have common interests.
11. If there is just one issue, fractionate it into smaller ones. Or— introduce new issues such as time horizons and long term relationships. (Negotiation over just one issue prevents developing a "package" with high gain/low cost tradeoffs for each party.)
12. Consider a third party intervention.
13. Use a "one text" method (possibly via a third party) in which all sides successively add to all the points everyone agrees to, with a view toward creating many points of agreement.
14. Extend the time horizon.
15. Take responsibility for faults (mea culpa)—apologize.

## **Coalition Exercise - Instructor's Note**

You will wish to have read the chapter on this wonderful game in Howard Raiffa's book the Art and Science of Negotiation. This game, possibly the single best role-play of all negotiation training materials, lends itself to skilful planning and use in many different ways. You will certainly wish to experiment playing it "straight" as Raiffa anticipated. I however tried also to teach some lessons about real life.

In my case I usually taught it after Telemachus, making sure that the A, B and C roles reflected the previous role assignments. Thus Bill became A, Shataya became C and so on. Then I let each role prepare, IN CLASS—but alone together for their part. I would make sure that the A's were away from the B's and the C's—and then I would get the B's and C's together (in their respective pairs) for five or ten minutes before the A's found their respective triad. The triads would of course be the same people playing together as in Telemachus.

Preparing alone together the A's often become arrogant and also greedy. Depending on what happened in Telemachus some might have been a bit chastened but often the effect of the previous role play was to make the A's more aggressive.

The B's and C's, getting together would sometimes feel guilty and hang back until A got there. But often they would form an unshakable coalition.

Be sure to leave enough time to debrief both role-plays, either at the end of this class, or after you return the journals about the class, or both.



## Coalition Exercise

### Questions for Reflection

- What was the effect of the previous negotiation---what effect did your role-playing in Telemachus have on the outcomes in Coalition? If the instructor got the B's and C's together for ten minutes before the A's got there, what was the effect of having the two weaker parties have time together alone? If the Bs and Cs did not together ahead---what WOULD have been the effect of their having been able to do so? *Note:* there may be paradoxical effects.
- There are many sources of power; one can easily over-rely on positional authority. *In fact ...who has the most power in this game and why?*
- Coalitions do not take long to build, especially in the presence of any strong emotions. And they can "crash" very quickly as well.
- Coalitions are rarely stable and need constant attention. Stay in touch!
- There are many opportunities to play a mediating role.
- *There is a financial reward to being able to form an effective coalition, that is, a value to "coalitionness."* The ability to form alliances and to de-stabilize the alliances of others, by itself, is a source of "value," and power. It is an important illustration of the power of rewards, and sanctions, and relationships. So, in real life, C has more than 3 points of power, as Howard Raiffa's analyses show in his book Art and Science of Negotiation.
- What happens if you commit to one party, when a third party is also involved, and if you do not negotiate the "exclusion" with the third party? What are the effects of exclusion? (including possibly a feeling of humiliation.....)

### **CONSTRUCTION INTERNATIONAL, INC.**

Mr. X is an engineer with a long and successful career with Construction International. His career entailed frequent travel and discussions with senior officials in developing countries throughout the world. His personality was somewhat reserved and aloof, but on the whole he was polite and proper in his dealings with clients and colleagues. Some people enjoyed his dry and sardonic wit; others found it condescending and biting. Mr. X was a "workaholic" who pushed himself and colleagues to high levels of performance, and the results of his efforts were well-received by managers. Nevertheless, he was not regarded as an easy person to manage, in part because his thinking was a bit rigid and he held strong views on technical matters, which he made little effort to present in diplomatic terms. As the result of his solid professional performance he was given a managerial position at the starting level for such posts; he had served in that capacity for three years.

In the summer of 19\_\_, Mr. X's managers received notice that he had been charged with child abuse and sexual assault. The charge reflected incidents occurring over a period of time, and on several occasions, with the children of visitors to his summer home. The managers did nothing to inform the staff of the department about this, although an account of the charges was carried in the local newspapers and the situation became widely known within the corporation.

The case was brought to trial in December of the same year, at which time Mr. X pleaded guilty to the charges. He said this was largely to protect the girls involved from the ordeal of testifying in court. Some of Mr. X's colleagues and managers submitted written references to the Court on his behalf. There were nine charges under the statute which applied, each carrying a maximum sentence of one year imprisonment. After reviewing the submissions of the prosecution and defense, the Court handed down a sentence of thirty days in prison, 100 hours of community service, and probation for nine years, with the requirement that Mr. X participate in psychological or psychiatric treatment, therapy or counseling as recommended by his Probation Officer.

There was lengthy discussion between managers and the Personnel Department about what the corporation should do under these circumstances. A decision was finally made to allow Mr. X to return to his department in a non-managerial capacity for a six-month term to see whether his return to full active status would be feasible. The reasons for this decision were "compassionate" in that the sentence of the Court reflected a high degree of leniency under the circumstances, and there was no desire on the part of the managers or Personnel to add additional punishment to what was already a very painful situation for Mr. X.

The above decision was communicated to staff in a departmental meeting. The departmental director told staff he hoped they would accept Mr. X as a colleague, and that he would need their support after a very difficult ordeal. The director then asked if there were questions, and when there were none, he offered to discuss the decision with anyone who came to see him privately. When the meeting ended, the director came away feeling that the staff had been receptive to the idea of Mr. X returning to duty. There had been no detailed discussion of the case in terms of the nature of the charges or the Court's findings.

Shortly after the meeting, several of the staff went to Personnel and protested vigorously about the decision to retain Mr. X. This protest was communicated up to the Director of Personnel, and through him to the department director. First-level managers were also becoming aware of strong negative reactions by many employees. In an effort to defuse this developing opposition, Personnel asked the Ombudsman if he would be willing to look into the situation and make recommendations on how to handle Mr. X's case.

The Ombudsman agreed and set aside a series of three days during which he would be available to hear the views of any member of the department who wished to see him. About one-half of the employees took advantage of this opportunity with the following results: supporting Mr. X's return to the department — 40 percent; supporting Mr. X's return to the corporation, but not to the department — 30 percent; opposed to Mr. X's return to the corporation under any circumstances — 30 percent. Looked at from one perspective, a large majority (70 percent) favored reinstating Mr. X somewhere in Construction International. On the other hand, another majority (60 percent) did not want Mr. X assigned to his former department. Women in the sample were divided evenly on the issue of Mr. X's return, but men were heavily in favor of reinstatement. Most of the professional staff favored the return, but a majority of support staff were opposed.

The reason for the opposition included revulsion over the nature of the crime, sympathy for the victims, a feeling that light treatment was given Mr. X because he was a professional and that support staff would have been treated more harshly, even for lesser offenses, and anger at what seemed a "losing" situation for employees who did not want to associate further with Mr. X as opposed to his "winning" by retaining his job and salary despite his conviction for a serious crime.

Those favoring his reinstatement in the corporation cited religious beliefs which led them to favor clemency in the case, Mr. X's previous record of high performance levels and good behavior, a feeling that the Court had decided on the punishment which the crime deserved and further punishment was not called for, and a need to provide an environment and an opportunity for Mr. X to proceed with the rehabilitation efforts which the Court had ordered.

Mary P. Rowe, Cambridge, MA 02139

Class #10

### **SANDY BROWN**

#### **(Secret Instructions)**

You are very upset. Whatever the outcome of this mess, you feel your job is at risk and you are very angry. (You are not guilty.)

Your lawyer feels there are grounds for suit against Roo and Dana: defamation, interference with your employment contract, emotional distress, etc. But you haven't money for a lawsuit. You like your work. You like CPA, Inc. as an employer. You very much want to stay on the job. You really need the job; you and your spouse just bought a house. In fact you've been working hard and late, to make sure you are seen as a valuable employee.

You have heard that Roo and Dana have talked with a number of your fellow employees and you are really angry with them for doing so. Your spouse however is arguing for temperance. "You've loved this job; you've liked almost everyone there; hang in there. It cannot be that your reputation will actually be hurt by this. Just stay cool."

On the other hand, you were brought up to defend yourself, especially when your honor has been defamed. You have decided to make your case to J.T. You can't believe this could actually be happening and J.T. must make it stop.

**Sandy:** (Stay in character. Make up any small details you need, consistent with the case.)

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Class #10

## **CPA, INC.**

### **General Instructions**

Payroll checks have been stolen, and cashed with false endorsements. Two long-term employees, Roo Smith and Dana Petski, recently learned about the theft. They became very upset. They took it on themselves to call a lunch meeting of all senior payroll employees. At this lunch, the two long-term people said angrily that CPA management "knew who the culprit was." They tried to make the guilty person come forward. However, no one confessed.

In the resulting tension and disruption, the head of the payroll office called in a handwriting expert and other investigators from City-Wide Forensic Services. The investigators immediately reviewed handwriting samples from all employees. Meantime the two long-term people began to press a new co-worker, Sandy Brown, to confess, saying they were convinced Sandy had forged the endorsements. Sandy angrily denied wrongdoing. Roo and Dana then said they had heard that Forensic Services believed Sandy to be the culprit and told Sandy and other employees that Sandy would be fired. Sandy left work and went to see a lawyer. J.T., the head of payroll, heard about all of this at the end of the day, at just the point that Forensic Services came back with their report, and that Sandy returned to work.

## Instructor's Notes

### *CPA*

This case is played with minimal preparation for the students assigned to each role. In a class of 42, I would assign the best six students to be JT, the supervisor (JTs numbered one through six), and another strong set of six to be Sandy the accused employee (also numbered one through six). The remaining students were all randomly called Roo and Dana, and assigned to six groups of five persons each to form an unruly "mob." Thus everyone knows with whom they will be playing.

Everyone gets the General Instructions. The JT's prepare together, (they will be pretty concerned) and so also the Sandy's (who are usually rather subdued and troubled).

The Roos and Danas I take away to a private area, to prepare the thirty of them together, clumped in their groups of five. I tell the Roos and Danas that they have an impossible and unreasonable role. In the group of five they are to attach themselves to JT and refuse to be dismissed. They are to ask relentlessly that Sandy be fired. They have virtually no proof of Sandy's guilt. They must simply state they are sure that Sandy is guilty. They are to keep this up-ignoring Sandy, if Sandy tries to speak-for ten minutes if they can do so. (No violence, no pushing and shoving, just "commitment power") I then, as quickly as possible-so the JTs do not have more than five or ten minutes to prepare-send each group of five back to take on "their" JT. And then I send the Sandy's, each to join to their JT.

The purpose of this case is to help students, at the end of the course, to understand a little about mob behavior in the workplace. Usually the (well-chosen) JTs survive it pretty well but are shaken. Some will have actually managed to keep things under control. The Sandys in the debrief discussions are usually very eloquent about what it means-and feels like-to be wrongly accused and excluded. The Roos and Danas are often very impressed and concerned and troubled about how easy it is to join and be part of a mob. The journals about this case are always very important-and this is one the cases that students remember best, years later.

As the Instructor one must emphasize that the first priority for a manager is to establish and maintain safety and security in the workplace. One must know the available resources and the rules of the organization and be prepared to uphold the principles of workplace justice.

(In this real case, the company went bankrupt after many suits were brought.)

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Class #10

**J.T.**

**(Secret Instructions)**

The investigators from Forensic Services have just left, leaving you with a short report. The report says that whoever endorsed the checks was likely to have been intentionally disguising the handwriting. One expert at Forensic Services told you he thinks it is "nearly certain" that Sandy Brown is the culprit. However, for various reasons Forensic Services believes that it will be difficult to find further evidence (and in your state lie detector tests are not admissible). Thus the final report concludes that there will be no conclusive set of evidence.

You feel strong conflict. Sandy Brown and Roo and Dana are all excellent employees. You know the Browns have just bought a new house for their growing family; they seem a nice family, though they are new to the area and you do not actually know them.

You are worried about a number of things; the reputation of your department; how to get the work done, (even one day's disruption causes great difficulty at the end of the month); the shocking fact of the theft....

Sandy and Roo and Dana have just come to see you.

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Class #10

**ROO SMITH AND DANA PETSKI****(Secret Instructions)**

You are phenomenally loyal to CPA, Inc., the company you grew up in. Part of what you like about CPA is the image of integrity, purity, propriety. Public accounting firms must be the essence of probity. There can be no deviation from the principles of honesty.

Neither of you is sure just why you suspect Sandy. But Sandy clearly had the opportunity, clearly had the motivation for more money, (Sandy just bought a house), and clearly has artistic talent. And you've known all your other fellow-workers a long time. As a new, younger employee, how has Sandy acquired money enough to buy a house? Why has Sandy been staying late, working alone?

The two of you have resonated off each other; probably neither of you would have gone after Sandy by yourself. By now you feel considerable righteous anger, however; Sandy should be fired, in your opinion, and you will say so to J.T.

**Roo and Dana: You surely have nothing in common with these Roos and Danas. But please try very hard to "be" these characters. The role requires committed, passionate presentation of your case to J.T. Please briefly prepare a strong presentation with each other? And do your best to stick with J.T., to press your case, for 10 minutes. Make up any small details you need about why CPA needs to protect its image and why J.T. must act immediately to get rid of Sandy and protect you all.**



Prof. Mary P. Rowe

## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

You may make up any story you wish. You should try to get as much of the \$2 as you can.

However it is important to remember that you will be dependent on this colleague for a long time to come. This simulation is only the first of many contacts with the other person, so you will want to be extra careful not to offend in any way. Do as well as you can in the context of the long-term association to come.

## **THE \$2 BARGAINING SIMULATION**

### **General Instructions**

This simulation is about win/lose bargaining. You and another person must divide \$2 between you today; what you get, the other person loses. There may not be any side deals, or "paybacks tomorrow," or circumventions of any other kind; this is straight, distributive (win/lose) bargaining. Please follow the instructions, just for today, even if they are distasteful to you. Many people like this kind of bargaining. Other people hate it. If you hate it, play it out anyway and please tell me in the discussion how you feel about it. Remember, please, no circumventions; please try very hard to follow your Secret Instructions in each iteration of this simulation.

You will have specific, personal instructions with each new partner; they will be different each time. You may not tell anyone else about these instructions until the bargaining is over. Again, please follow the instructions as precisely as possible.

You will have a few minutes to consider strategy and tactics; please make notes as to your plans and ideas about how you will bargain. Here are your questions:

\* What do you want here? What is your most optimistic hope? Your realistic expectation? What will you settle for?

\* What does the other person probably want? How will you find out?

\* How will you persuade the other person?

\* What will your moves be?

It is not possible to ask questions for more instructions; just do as well as you can.

## GLOBAL MOBILE COMPANY

Scylla Lee flew back to corporate headquarters on a double red-eye flight, west to east, mind and soul in some turmoil.

Lee had graduated two years ago from a widely recognized Management School (MS). She had followed an old friend and MS alumnus, Effiong Etuk, to Global Mobile, a major multinational company with partnerships and investments in dozens of developing countries. Scylla was delighted to interview with Global and to have been offered an unusual job, in a small group reporting directly to a vice president working closely with the COO. This strategic planning group was the brainchild of the COO, also a graduate of MS. "We need to be flexible and nimble," said the COO. "I want a group of analysts I can trust that will keep us on our toes out there. Hire the best, pay them well, keep them travelling, analyzing, and making contacts."

Scylla was returning from a trip to several countries in Africa, where she was looking at Global's interests in mining companies. Labor costs seemed to vary a great deal among the various companies, (especially because of health care, security, housing and food costs); the future of automation had to be analyzed. Global wanted her to compare Global's various mining investments.

Scylla had spent the most time at the most profitable company, looking especially at the costs of security, health care, and housing and food. She became concerned about the low wages, long hours underground, inadequate safety conditions. She was, however, especially troubled about something she had discovered from a statistics analyst attached to the company medical facilities.

Puzzled and upset, she routed herself back through Thailand. She wanted to talk privately with Effiong, now based in Bangkok, on her way home.

"Effiong," she had said, "Do you know what the mining company does? It offers some health care to all workers. Whenever you come in, for any reason, they do a variety of lab tests, no matter what brings you in. They then privately test for TB, hepatitis, and HIV — and heaven knows what else — and then quietly fire you for apparent work-related reasons if you test positive. They don't tell you they are testing and they don't tell you what they find, you just lose your job or don't get re-hired after one of the mine's periodic inspection shutdowns."

"Some of our partners do this kind of thing in various other countries," Effiong replied. "It's not just Africa. And what about blood tests done on you when you joined the company, Scylla? Genetic testing is still legal in our home state. If you are going to get upset, start at home. I heard once that the company freezes some blood, for testing

later on, in case you're up for a major promotion. They'll look for Alzheimer's markers, heart disease, breast cancer or whatever. But look, please also think carefully about this. Are you sure you want to rock the boat? Global competition means cost control. What can any one of us do?"

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## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

This person you are dealing with probably will not want to tell you about it but he or she has had a terribly hard month. This past month was full of disaster: money troubles, family difficulties, and none of it your colleague's fault. Through it all, your colleague has been bearing up.

Nevertheless, this is zero-sum bargaining, so get all you can. Make up whatever story you wish, and get as much of the \$2.00 as possible. (Just remember that your colleague has been having a very hard time.)

Prof. Mary P. Rowe

## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

This is zero-sum bargaining. You should get as much of the \$2.00 as you can, with any story you like.

Please keep up a high level of tension. Act concerned, repeat demands; don't give in at all, if you can help it. If you do give in, come down only one cent at a time. Please be tough.

## Substantive Ideas About How to Deal with Mr. Canny

- Send your R&D person to educate and convince him about the value of your network system.
- Send a very specific proposal — on network system and costs/output/etc.
- Show your advantages versus your competitors — with specifics.
- Establish a deadline for closure and then go through with it.
- Sell the network idea separately for existing machines.
- Find out more about Canny's interests + his customer requirements.
- Convince Canny that a distant vendor can do the job because of the long reach of technology.
- Agree to station someone on site for X months.
- Provide an 800 hotline.
- Do a detailed price/value/feature comparison to competitor's gear.
- Find a military person and send them to Canny.
- Provide a steeply discounted price/volume curve.
- Discount for first time user.
- See if there are future regulatory or other unanticipated issues that are addressed by your system that will be important to Canny.
- Sell a smaller prototype network of 5 units/not 24.
- Calculate your profit margin with a good cost analysis and show him.
- Determine your firm's BATNA.

- Offer networking system free (see if you can).
- Reduce prices.
- Do careful research as to why competitor sells so low.
- Invite Canny to N.C. to see your system and image/vision the system with his company.
- See your Marine buddies at Quantico and ask them to stop by when you are with Canny.
- Check to see if Canny is the only decision-maker?
- Sell value of a **young** engineer who can be with him in the long haul.
- Sell idea that to you time is money.
- Take Canny out socially.
- Help make referrals for Canny to help Canny accomplish goals.
- Do some research on Canny's competition to obtain info. to give Canny.
- Buy out the competitor.
- Telephone him “Call me when you are ready.”
- Talk to your own best customer to see why you are doing well with that person.
- Calculate what your system is doing for Canny’s manufacturing — payment based on savings.
- Offer excellent service after the sale.
- Offer an engineer on site for a period of time.
- Offer a money back guarantee.
- Price all 24 machines.



- Offer a teleconference instead of traveling.
- Expand the demonstration within a definite time frame.
- Convince Canny about how long the machines will last/ give a warranty.
- Assure Canny he will get any upgrades first, and "free."
- Use FAX, don't travel/ Mr. Canny already knows the system.
- Name drop other customers or competitors of Mr. C.
- Offer him a really low price to be the "first to try."
- Find out how he defines success in network.
- Show advantage how quality is improved and cost reduced by collecting and using the production data.
- Reduce his risk — sell him 3 initially
- Field test of new system —Do installation test on your "own nickel."
- Offer Canny hotline software support.
- Collaborate with your competitor — get to know him or her and make whatever is the most advantageous deal for both companies.
- Consult a Green Beret on How to Close a Combat Decision.
- Work out services to be added to deal — training, warranty.
- Suggest new product development inside your company — convince him his needs will get priority in the future.
- Befriend Mr. Canny outside of the office.
- Has the competition actually proven his system? Check it out!

**Please annotate each item with the Source of Power implied in the suggestion. Please also star three ideas that you find to be especially promising.**

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THE \$2 BARGAINING SIMULATION

**Secret Instructions**

This is zero-sum bargaining and you want to get just as much of the \$2.00 as you possibly can.

Please spend a moment and be really imaginative. You were chosen for this instruction because of your creativity and inventiveness. So be imaginative, be convincing, and bargain just as effectively as you can. Make up the most convincing tale you can and good luck!

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## **Brainstorming Protocol**

- Ideas written and grouped where everyone can see them
  - Flipcharts
  - Blackboard
  - Post-its
- No censoring
  - All ideas are valuable
  - Ideas prompt new ideas
  - One may build on ideas of others
- Alternating turns
  - Encourages full participation
  - The best idea may come from an unlikely source
- Be exhaustive
  - Push yourself beyond the last idea
  - The more thoughts you generate the more likely you'll discover the best idea

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## LEVELS OF CONSENSUS

- “1” I can say an unqualified “yes” to the decision. I am satisfied that the decision is an expression of the wisdom of the group.
- “2” I find the decision perfectly acceptable.
- “3” I can live with the decision. I’m not especially enthusiastic about it.
- “4” I do not fully agree with the decision. However, I do not choose to block the decision. I am willing to support the decision because I trust the wisdom of the group.
- “5” I do not agree with the decision and feel the need to stand in the way of this decision being accepted.
- “6” I feel that we have no clear sense of unity in the group. We need to do more work before consensus can be reached.

## WEIGHTED DECISIONMAKING

- “Plan A” One person specifies choices, usually two or three. Everyone divides 100 points among the choices, silently or on paper. People then share their votes. The choice with most points wins.

## TERRY AND JOSEPHINE AT NAVIGATIONAL SYSTEMS

### (General Instructions)

Joe Abernathy and Josephine McNair were assigned together to a top-secret research group at Navigational Systems. They looked at each other with amusement when they met. Each had been told by a mutual friend back at Cal Tech that they really ought to meet; each had been too busy to follow-up on this matchmaking by a fellow alumnus. In a way it was surprising they hadn't met before—though Josephine had finished her doctorate in physics several years before Joe got his in electrical engineering—because they'd been working on similar problems at Navigational Systems.

In fact they each worked out very well in the new group. Sunny and cheerful and a little bit zany, they were particularly well-liked by their colleagues. Over the course of several years, several things went well. Their research really took off. They each took advantage of all that the company offered and both were really happy at Navigational Systems. Also—they fell in love and got married. Each, however, was extraordinarily circumspect and professional in behavior; their colleagues had been surprised when they got married. And, in fact, the marriage appeared to cause no tension to anyone.

Alas, however, it all came apart when the Division Chief, Terry Hardel, called in Joe one day, to appoint him to be a new Group Manager. Navigational Systems suddenly had a chance to bid on a huge new contract working on advanced air traffic control problems. The group was therefore splitting up. Joe, the group's best electrical engineer, was the obvious person to manage the new group which would include the section where Joe and Josephine worked. However, Joe was told, his promotion would of course mean moving Josephine. Since Josephine could not report directly to Joe, management had decided to move her to entirely different work, in fact to a different Navigational Systems location in the city.

Joe and Josephine talked that night, and then Josephine went in to see the Division Chief, Terry Hardel.

## Reframing Positions

(an exercise in dealing with difficult tactics)

Please first reconstruct, together with your partner or group—what was the aggressive opening statement made by the CEO, in the case we are considering?

Together with your partner, or group, now take the role of the Information Systems VP. You are to reframe the "position" that has been taken by the CEO. What could you—the VP of Information Systems—say, and then what might the CEO reply? Draft some responses that the VP might make in answer to the CEO's aggressive opening statement:

- toward discovering the real **interests** of the CEO (to do this well you might want to think a little about what the CEO's real interests might be)
- toward brainstorming **options** which might resolve the dilemma (to do this well you might want to think a little about what the CEO's and the VP's real interests might be and what the options might be)
- toward discovering together the **principles or objective criteria** that could be used to resolve the dilemma (to do this well you might want to think a little about what principles or objective criteria might be useful to resolve this tension)
- toward maintaining the **relationship** between the two people.

And then.....please come up with your favorite sentence for each person to say to the other, that combines assertiveness with empathy.

## (Negotiating for Jobs, Salaries—and Everything Else)

# Prepare, Prepare, Prepare

2001 Prof. Mary Rowe

### Introduction

You should begin by figuring out **what you want** and **what the potential employer wants**. For example, you may not even wish to raise salary issues, after considering all your interests—in addition to salary—and what is fair in the market. In addition, some employers do not negotiate about salary though they may be willing to talk about other perquisites of a job—so don't be pushed by family and friends into negotiating on salary, unless it is right to do so. In particular please resist the temptation to negotiate with many employers, unless you are really interested in all those jobs. However, sometimes you will wish to negotiate about salaries as well as other perquisites of a job—here are some ideas. Remember that effectiveness depends on knowing the real interests (not just the “positions”) of both sides

### Your interests

What you want out of a job will be some composite of your interests and of all the interests that are attached to you—typically your own views, and those of your significant other, and of your children if any, and of other family members, etc., that you wish to take into account. So start by making a **list of all the people on your side whose interests matter to you** in the upcoming negotiation. Then **list the interests of each person** who matters to you. Your own list might include the following items—but please try to add several items to this list before you finish. Make this list your own.

- Salary.
- Bonuses (including loan repayment, signing bonuses, yearly bonuses) and options.
- Possible tax sheltering (for example living overseas)—or double taxes!
- Benefits (including family leave, child care, elder care, on-going training, moving costs, car, housing, low-cost mortgage, loan repayment, vacation, pension plan, life insurance, health/dental insurance, etc..)
- Perks in equipment you will be using and other workplace perks like expense accounts.
- Dress code/dress requirements.
- Job responsibilities, including the degree of your independence.
- Supervisory responsibilities.
- The skills you will be using and the skills you will learn.
- Your ability to talk about/write about/advertise what you will be doing (for example, can and may you talk with your significant other about everything that you will be doing?)
- Growth (and take-over) potential of the organization.
- Growth potential of your job and salary.
- The “riskiness” of the job and how you value this risk (plus or minus). Think about mergers, reorganization and re-engineering as well as market-risk and global competition.



- If you take this job will it help or hurt in your possibly shifting later to another job/employer of interest to you?
- How much you value the company ethics and culture and values and its attitudes toward people like you (race, gender, nationality, religion, etc.)
- How much do you value the goods or services the employer produces? How do you evaluate this employer's insistence (or lack of insistence) on quality?
- How do you evaluate the nature of potential work/group relations—and the chance to work with colleagues who are already there.
- The potential boss, if you know him/her or know anything about him/her.
- Expected hours per week, weeks per year, flexibility of hours. For example, can you moonlight? Would you want to? Is there any unpaid leave possibility if you have a special interest in time off? When do they want you to begin? Do they want you to work any unusual hours? Do they expect that you, or you and your spouse or partner, will participate in public social activities?
- Evaluate the geographic location now, and where you will expect to live in two years and in five years and twenty years. Think through the education requirements of members of your family as well as of yourself. Think of cultural/ethnic/religious/seasonal factors. Consider the availability of special medical or family care providers. Think where other members of your family are (for example, your parents as potential grand-parents or your wish to escape some family relationship.) Think about your after-hours' interests. For example, think about your safety as a single woman, and the safety of your family, and about earthquakes or whatever matters to you in this regard.
- What are the commuting considerations (where is the airport?)
- Cost of living in the relevant area (make an estimate of regional variations in heating/AC, cost of clothing, transportation, cost of entertaining, state taxes, etc., as well as the CPI in the given area)
- Travel requirements—how much travel would you like and where to?
- If it is appropriate, discuss these same questions—as they affect your significant other and his/her life and options—with your significant other. For example you may wish to think about “total family income in a given location” rather than just your own salary.
- In general you should try to forget what other members of your class say they are getting paid (unless they have accepted a job with the same employer and are willing to show you the letter of offer—in which case it is valuable information about the employer.)

Now rank order these items or at least re-order these items—group at the top those which are the most important for your negotiations with each potential employer. **Then, make a matrix with all the items that matter to you in a vertical list. In particular think about what matters to you more and less than money.** List potential employers along the horizontal axis and then fill in the boxes with respect to each job or employer that starts to be of interest. If you can, create some kind of weighting system about what matters most to you. Even if you change the weights every day it is worth while to think through what is most important to you.

**If you know you are interested in only one employer, or if you are tied to one employer,** see if there are several different jobs available or discoverable there. Sometimes you can do a little bargaining within one organization, if not for salary then with respect to many other job characteristics. At least figure out where you stand, with respect to the list above, for all

possible jobs within the given company. The list may help you to develop new possibilities in talking with a mentor at the company. In addition, your responses to the list may convince you to begin to think about different employers sometime in the future.

Now that you have thought through all your interests, and trade-offs among them, what is your target salary? What is the least you would accept? What is the most that you could reasonably ask for each job?

### **Your sources of power and lack of power**

There are many sources of power in any negotiation. Your sources of power or lack of power include:

- Your **information**—what knowledge do you have that the organization would consider valuable? Include any special body of knowledge that you might possess—like the business conditions in some part of the world that the organization might want to know about. Also think through what this employer might need that you do not know. Could you learn some new body of knowledge quickly?
- Your **expertise**—what makes you special? List languages, countries you have worked in, and any outstanding skills from your family and from hobbies, as well as all you have gotten from school and previous jobs. List the skills this employer might need that you do not yet have. Could you quickly acquire any skill on this list?
- Any special ability you have to find unique or **elegant solutions** to problems the specific employer might have. Think hard about this possibility, since this is your strongest argument for a higher than average salary. It is also a strong source of power if you are committed to just one company.
- The nature of your **commitment** to this job. Are you willing and able to work 80-90 hours per week? Do you have a track record of working like this? Or do you need time off with a new child or for yourself and want fewer hours per week and per year? Consider also the nature of your commitment to be offered a given job. How hard will you work—over what time period—to get just the job you want? (Consider the possibilities of building contacts and relationships in the company, acquiring the experience they need, etc.) The nature of your commitment to be offered a given job is an important source of power if you are committed to just one employer and cannot “play off one employer against another.”
- Your **relationships** in the company and in the field. If you happen to have strong relationships—say with the CEO or with leaders in the new Congress or with the ruling family of your country or with leading experts on whom you can draw for consultancies or with recent alumnae/ni who could help you—make a list. If you have any important enemies perhaps you had better list those also and consider their importance. Are there obviously important relationships that you could start building now within the company? Could friends or family or faculty help? This is a source of power that can be very important if you are committed to one company.

**If you know yourself to be abrasive or if people tell you that you appear arrogant when you are ill at ease, please practice respectful speech** and a uniformly courteous professional attitude for job negotiations. Role-play! Many a good job/salary is gained or lost through whether you come across as respectful or disrespectful. If you are embarked on a long series of interviews, learn and unobtrusively record everyone's name, including the secretary who answers the boss' phone. Use names on the next call. Thank people. Build relationships. Think of yourself as selling the most important product in the world. Most MBA's are thought to appear very ungracious and you can stand out from the pack just because of your social skills. (Many a secretary who likes a job candidate has reminded the boss of an odd wonderful possibility that just fits the job candidate and his or her interests.)

- **Charisma/moral authority.** Assess your own **charisma**. It is an important source of power or lack of power in job negotiations. Discuss this subject with friends and your family and some faculty member. If you think you have trouble "selling yourself"—most students do feel this way—you definitely should role-play. And you might carefully observe a friend or faculty member whom you find charismatic.

**Moral authority** may also be a source of power if you are committed to one company and want to move from an old (less interesting or bad) job to a new (more interesting) job. For example can you argue on grounds of "fairness" that you deserve a new chance because you have paid your dues at the old job or that you have spent great effort in school preparing for new responsibilities and deserve a chance at a growth area? Can you argue on grounds of "fairness" that you deserve a salary commensurate with some group that you might reasonably belong to? For example, if salaries rose 10% while you were gone, might you argue that you deserve at least that much raise when you return from school? Or that you intend to honor your commitment to return to your old employer—but in fairness they should be willing to pay you (close to) what you would earn if you were to skip to another company? **It goes without saying that if you are using moral authority it is particularly important not to lie.**

- **BATNA**—your fall back position. Please think through your fall-back position for each negotiation and sub-negotiation you will be in. **For many people this is the major source of power they will experience in looking for a job—please develop options for yourself and for your family.** Options will help your sanity, will strengthen your bargaining position, and will help your conscience. (Strong options will help defend you from the impulse to lie or misrepresent yourself).

The fallback position is the source of power that appears weak if you are committed within one company. It is especially a problem if your old salary within the company was low. But you still may be able to scout out half a dozen possibilities within your old firm—build and use your professional relationships. If your old salary was low, spend a lot of effort to redefine yourself as a new commodity. Use the power of commitment and be dogged about this if you possibly can. Try very hard to build a fall-back position, so that you will be choosing among jobs rather than just accepting one.

### **The potential employer's interests and sources of power**

Please, please do your homework here. You want to know just what each employer or possible new boss thinks he or she needs. Start calling friends and reading local newspapers and doing internet searches about any aspect of the company you can discover. **Any important interest of yours on the list above needs to be matched with relevant information about the company and the job.** Some critical questions include:

- Does this employer expect to negotiate for salary and other matters? If so, within what range—and which items on your list can be negotiated? (Many companies will negotiate on hours, geographic location, which team you will join, etc. Virtually none will negotiate pension plans until you get to golden parachute level). If they never negotiate salary, how do they determine how much you and others are worth? **Be very respectful of the importance to certain employers of internal salary equity.** If the employer has strict ranges, then salary may attach more to the job, than to the incumbent. Your task in this case is to argue for a job that is pegged as high as possible. Can you influence the job level you are offered, in how you present yourself, or in a résumé specially tailored to a given job that you have learned is open? Can you create a new job which has not yet been rank-ordered within their salary ranges?
- Whom can you call within the company to check things out? What did they pay last year? How is the company doing? How have they been doing in attracting new people this year? What skills and talents are needed this coming year? Can you talk with a friend within the company or in a local business school about where the company stands with respect to the most important topics on your list above?
- Remember that the most important source of power for the employer is likely to be its BATNA (whom else could it hire if not for you—and can it survive without you?) With respect to big companies, you can count on their having done some homework about alternative recruits as well as about salary levels. You may wish to think through and communicate how you are different from others.

**ARE THERE DISCERNIBLE DIFFERENCES AMONG NEGOTIATORS —  
ON THE BASIS OF GENDER, RACE, ETHNICITY?**

1) Are the X's and Y's (defined by gender or race or culture) different from each other as negotiators? If so, are they different in:

- strategy?
- style?
- ethics?
- Machiavellianism?
- effectiveness?
- the sources of power they use?
- the options that they choose to deal with a concern/complaint?
- in some other way that is important?

2) If you think the X's and the Y's are different from each other — are the groups SIGNIFICANTLY different?

3) Do you think that the differences if any are malleable? (Could they be changed by training or experience?)

4) Do people TREAT the X's and the Y's differently?

## Preparing for Negotiations where Culture and/or Gender Matter

There are many articles and research studies on the importance of culture and gender in negotiations. Taken all together, my view is that these studies have little if any predictive value for a specific negotiation. Some believe this is because the sum of the intra-group differences exceeds the sum of the inter-group differences on almost any comparison between large groups, like “all men and all women.” Others believe that some useful differences could be found if we could control properly for all relevant variables, such as the roles of the parties, their various kinds of power, the effects of socialization and of expectations about various groups, and if we had a full understanding of the point that different groups are often treated differently, whether they act differently or not. Yet others believe that if research perfectly focussed on “Strategy” or “Style” that some useful differences could be found. But at the present state of understanding we are probably wise to presume that we do not know enough to make useful predictions.

It may be useful to review common errors in our reasoning about groups. These include the idea that a given group is really homogenous, that a particular culture is a stable and coherent entity or “thing,” that “national character” is uniformly distributed, that cultures vary mainly on one dimension (say, collaboration or ruthlessness), that differences are timeless, that different elements of etiquette and courtesy sum up to actual negotiation differences.

My view is that customary courtesy does matter a lot between people and should be explicitly considered—for reasons of building relationship—but not as “predictor.” In addition, I read the research to suggest that it is prudent to: treat each person as an individual, to assume that one can make some good guesses about the interests of Others, but to assume that one must gather facts about each specific Other and .... TO PREPARE:

- 1) Think explicitly about cultural and gender variables. Discuss the stereotypes (of **oneself** and the **Other**) explicitly, with a view toward understanding the Other, and the possible interactions within teams and between teams. In this context explicitly consider relevant aspects of the **setting and culture**, and of any **recent important events or prior negotiations**.
- 2) Prepare with **other people**, and **try to include representatives who are like the Other** or at least have had a lot of experience with the Other.
- 3) If possible build in an **observer** for your team and the possibility of **mid-course corrections**.

### **The TEAM case — Secret Instructions for Jan Li**

You were assigned to a six-person team for a three month task. Six weeks have gone by, and the team should now be planning carefully how to get the project report finished and delivered in good order.

You did not originally know any of the other five members of the team. You six were assigned together, to a self-managed, cross-functional team, to bring together ideas from all over the company. The other team members come from five different units of your company in five different areas of the world, and in fact speak five languages different from yours and from each other — the common language for the project is English.

As it happens, you speak and write excellent English and you feel you have emerged as a natural team leader. You have been thinking about how to get the report to be a really good one. You also want it to "look good" as well, since it will be distributed world-wide with the team member names on it. You figure the team will need five days at the end of the project period just to design and produce a really beautiful report.

You are concerned about how to deal with Piro Pali. You and the other four members of the team have been working very hard, and have pulled together a huge mass of relevant data. Each of the five of you (except Piro) took a subset of the information. Each of you has been analyzing and writing very productively about part of the problem. You have seen nothing at all from Piro Pali, who comes late to meetings, is very quiet, and seems not to be writing very much. None of the five of you has said anything to Piro, who is from a very different culture, but now you and the others are getting somewhat angry that you are being left with all the work. You decide that you will go speak with Piro about all this.

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### **The TEAM Case — Secret Instructions for Piro Pali - A**

You were assigned to a six-person team for a three month task. Six weeks have gone by, and the team is working away together far from home, with six more weeks to go.

You did not originally know any of the other five members of the team. You six were assigned together, to a self-managed, cross-functional team, to bring together ideas from all over the company. The other team members come from five different units of your company in five different areas of the world, and in fact speak five languages different from yours and from each other — the common language for the project is English. (This is tough for you. English is your fifth language. Like many brilliant people you have learned to speak English pretty easily, (if ungrammatically and with many errors) but you hate writing it.....who would believe all the written irregularities in English?.... and you are pretty quiet most of the time.)

You are however very skilled in data manipulation and analysis. The TEAM has brought together truly huge amounts of information; you have spent 14 hours a day — including nights and Sundays — pulling together data sets from 43 different sources and integrating them. While each of your teammates took an important subset of the information, and has been analyzing that subset and writing it up, you have been working quietly away on an integration of ALL the sources of information anyone was able to collect. The other five all seem to be working together... their tasks have a lot in common with each other. You have been working very hard and independently, and you hope to be done in six weeks time on schedule. If you are lucky (and no one interrupts you) you will produce a really impressive Appendix to the TEAM report — an Appendix no one could possibly have envisioned before you got started.

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### **The TEAM Case — Secret Instructions for Piro Pali - B**

You were assigned to a six-person team for a three month task. Six weeks have gone by, and the team is working away together far from home, with six more weeks to go. You hate the fact that you have been away from home for so long, and cannot wait to be done and on your way. You are also annoyed that the TEAM was not brought together in your country instead of Boston.

You did not originally know any of the other five members of the team. You six were assigned together, to a self-managed, cross-functional team, to bring together ideas from all over the company. The other team members come from five different units of your company in five different areas of the world, and in fact speak five languages different from yours and from each other — the common language for the project is English. (This in fact is a little tough for you. English is your fifth language. You are constantly annoyed by the cultural imperialism of people who speak English as a first language or from early childhood, and you do not like Boston).

You and the other members of the team have been working very hard. In the first week the six of you pulled together a huge mass of relevant data. Each of the others immediately took a subset of the information and they have been analyzing and writing about part of the problem. While each of your teammates took an important subset of the information, you think their actions were premature, and that they may have been wrong to start so quickly before looking at the BIG PICTURE.

You have been working 80 hours a week, trying to pull together all 43 datasets...and you think that TEAM should call a meeting and look at what they have. You think they started much too quickly on pieces of the problem and you are also annoyed that no one has been helping you. As far as you can tell they do not even care about doing this thing right. You are really quite angry about the five, Jan Li in particular. Jan appears to think that God has chose him/her to be the boss. IS this TEAM self-managed? Or is Jan going to come over and try to push you around? Above all you determine that you will not be interrupted or distracted from the task ahead of you.

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### State of the Class Questionnaire

Please rate the following on a scale of 1 to 5, fold and drop in Institute mail?

	False for me					True for me				
This class is quite easy.	1	2	3	4	5	1	2	3	4	5
I am generally enjoying the subject.	1	2	3	4	5	1	2	3	4	5
The brief lectures are useful.	1	2	3	4	5	1	2	3	4	5
The reading is usually useful.	1	2	3	4	5	1	2	3	4	5
The workload is manageable.	1	2	3	4	5	1	2	3	4	5
Videos, role plays are helpful.	1	2	3	4	5	1	2	3	4	5
Comments on papers are timely and useful.	1	2	3	4	5	1	2	3	4	5
The professor is doing a good job.	1	2	3	4	5	1	2	3	4	5
The TA is doing a good job.	1	2	3	4	5	1	2	3	4	5

Comments/feedback for Course Instructor:

## **Apologies Instructor's Notes**

Effective use of apologies is very culture specific. If there is any topic in conflict resolution where knowledge of another culture is essential, it is this one. Those who teach about apologies, and those who apologize, must "know their own interests," and "the interests of the Other Person," very accurately in order for apologies to be helpful in diminishing tension and making amends. That said, there is a lot of evidence from North America, that well-timed, genuine and detailed apologies can have a great effect.

It is also possible to make matters much worse by an ill-timed or non-genuine apology. One class room exercise that is fun to use is to ask the class to come up with "insulting apologies." Students will immediately come up with creative examples of people who manage to blame the victim, humiliate the Other Person more, and so on. The idea of insulting apologies can help to illuminate the importance of the aspects of a "real" apology.

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## Elements of an Effective Apology

Marsha Wagner, Columbia University

An apology is a powerful means of reconciliation and restoring trust. However, sometimes even well-intentioned apologies can exacerbate a conflict. It may be helpful to consider what elements to include in a statement of apology to make it most effective and constructive.

Not all elements apply to all situations. Some of the most common considerations include the following:

1. A common understanding of the exact substance and nature of the offense, or perceived offense. (*Example:* “Yesterday on the telephone, I said...”)
2. Recognition of responsibility or accountability on the part of the one who offended. (*Example:* “I could have chosen other words.” “I spoke without thinking.”)
3. Acknowledgement of the pain or embarrassment that the offended party experienced. (*Example:* “It’s understandable that was upsetting to you.” “If someone had said that to me, I would not have liked it, either.” But not, “I’m sorry you’re so easily hurt.”)
4. A judgment about the offense. (*Example:* “I was insensitive.” “What I did was wrong.”)
5. A statement of regret. (*Example:* “I’m sorry I used those words.”)
6. An indication of future intentions. (*Example:* “In the future, I will try to think about the impact of my words before speaking.” “I hope we can have a relationship of mutual respect.”)

Sometimes it is helpful to include an explanation of why the perceived offender acted in this way, but it’s important not to reiterate the offense or to give a flippant excuse or defensive justification. (*Example:* “What I did was a poor attempt at humor.” But not, “When I’m mad, I can say anything but I don’t really mean it.”)

The circumstances of the apology are also important, and should be carefully planned. Many people appreciate a written apology, because it implies time and effort put into this step toward reconciliation. Some people who have been offended want an opportunity to state the intensity of their pain or embarrassment directly to the offender. Some people would appreciate a face-to-face apology, and a chance to shake hands or otherwise take the next step toward improved future relations. Some people who apologize want an acknowledgement that the apology has been received, or that the offender is forgiven.

## **JOE AND JOSEPHINE AT BIOCHEMIX**

Your secretary looked up as you came in. "Boss, we've gotten a call from one of the labs. They're missing a young chemist named Josephine Li. They don't think it's just someone goofing off. They seem to think either the Director or you (Assistant Director for Administration) ought to know about it. The Group Leader is coming right over."

The Group Leader, Al, doesn't know much either. Josephine Li, 24, has worked closely with a brilliant young Ph.D., Joe Bartlett. Josephine hasn't come in for two days; Joe has been in and out, say his co-workers. The co-workers say Joe looks upset, comes in, looks around, goes out. What's most strange is that these two appear to have made a significant breakthrough in their work two nights ago. The lab notebooks are marked with an elegantly clean result and a beautifully sketched wreath of laurel leaves.

You send Al out to look for Joe. Joe can't be found and does not return. Your secretary, Alice, has offered to call Josephine every 15 minutes. Just before 4 PM Josephine comes home, answers her phone, and agrees to drive in. You wait at the office to see her.

Josephine comes in looking tired and very, very strained. She sits, unable to talk. Alice comes back in to pick up something, glances at you for approval, goes to sit with Josephine. Josephine says she's been walking most of twenty-four hours; she doesn't know what to do. Slowly a story emerges, half whispered to your secretary.

Joe and Josephine had been exuberant yesterday, although very tired, when at 4 AM they had finished the experiment. Joe had asked, "Why don't you come back with me for breakfast? You know I live two minutes away. We can rough out a report for Al."

Josephine went with Joe to his apartment. They had breakfast. She says that he raped her. Joe had pushed her onto his studio couch, removed her clothes and raped her. She never wants to see him again. She doesn't know if she should press charges. How can she tell her parents or her fiancé at Cal Tech? She was very conservatively brought up, had never dated anyone but her proper, Chinese fiancé. She hasn't been able to eat, doesn't think she can sleep. She can hardly talk.

At 6 PM the phone rings; the Group Leader, Al, has found Joe. You confer quietly. Half an hour later Al calls back.

Joe apparently was horror-struck when the Group Leader asked him about a rape. He said he'd been out looking for Josephine when Al found him. Joe thought Josephine had just left his apartment to go sleep; he had worried when she did not come back to work. He had no idea she would be upset. He had been waiting to celebrate their work.

Joe, in quiet horror, has told Al he had no idea Josephine was engaged. He admitted he knew very little of women. He had hardly ever dated; in fact, he said, he had been a virgin. Joe said he had never kissed a girl. He was hardly able to talk with Al.

JOE AND JOSEPHINE AT BIOCHEMIX

- Page 2 -

But he did look up at one point and said, "She never said 'no'. She could have just walked out. I did not hurt her; I love her. I never would have stopped her if she had tried to leave. Why didn't she say 'no'?"

As you talk gently with Josephine, you ask if she had tried to stop Joe. Had she said "no"? Josephine looks at her feet. "I didn't say 'no'. I didn't say anything. I couldn't talk at all. I couldn't move. I couldn't breathe. I just froze. It was as if I were up on the ceiling watching this terrible thing happen to someone else. It was a long time before I could get up and dress and leave. I just walked all day and most of the night and all day today by the river. I couldn't talk with anyone."

How on earth did these two fine young scientists get into such a nightmare? What will you do?

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These stories are deeply troubling to everyone who hears them. Most people believe in "fight or flight." So we ask ourselves, why didn't she run? Why didn't she hit him? But "freezing" is an alternative to running or fighting. And it can be misleading to an aggressor, especially if he has little or no experience with women, or believes that silence means "yes".

The experienced on-looker may be left believing both of two, mutually inconsistent interpretations of the same facts. Not only does each side seem convincing, but one cannot reconcile the two stories, as one would like to do, by "establishing the facts." In cases like these the facts, as a video tape would show them, are usually attested to by both sides; that is not the problem. But the real problem does remain. Was Josephine, who appears in every way a rape victim, in fact raped? Did Joe, who in no obvious way appears to be a "rapist," rape Josephine?

### The Eavesdropping Manager

“Can I tell you my story?” says my caller. “I came in early to the office, and I overheard a colleague talking on the phone about a fellow manager whom I don't know personally. She said that for weeks she had been treated disrespectfully. She said she thinks the fellow manager is deliberately trying to make her cry. She said that he ridicules her and mocks her when they are working alone together. In meetings sometimes it is even worse. He comes late to the meetings of her team, which he is supposed to attend. He interrupts her sarcastically. He asks other people questions as if she were not there. She keeps asking him to come on time and so on; he ignores her. Yesterday he stood up at a meeting of her team, and shook his finger at her, yelling.”

She was crying on the phone and told her friend that she was going to try for a transfer to Dallas.

“I am going crazy,” says my caller. “I called HR, though fortunately I did not mention anybody's name—including not my own. They said I should immediately tell them who it is, and they in turn should institute a fair, prompt and thorough investigation. So I went back to my colleague to talk with her. She pleaded with me to keep my mouth shut. She said it would be ‘his word against hers.’ She is very much afraid that somehow he will get back at her. She is desperately worried about anyone else hearing about this.

“We talked about it again at lunchtime. She said she did not want to get anyone in trouble, she did not want an investigation, all she wants is to get back to work. She was unbelievably upset with me for eavesdropping. She says there is nothing that anyone can do, and that I have to keep quiet about this until she can try to get out. She was totally against the idea of going to talk with some strange person in HR whom she doesn't even know. She is really worried about getting a reference because she wants to transfer. I am worried that she — or he — might sue me if I tell anyone. And what happens if there is an investigation, it turns out there is not enough evidence to prove he harassed her, my colleague's career is ruined, and both my colleagues hate me? On the other hand, a recent Team Management workshop instructs me to think of my teammates as one group of my own personal ‘customers’. I am supposed to act “responsibly” if I think someone is being treated unprofessionally. Can you help me? What should I do?”

**MANAGER'S DILEMMA:  
THE EAVESDROPPING MANAGER  
(Secret Instructions)**

You are the eavesdropping manager in this case. You contacted the EEO office, went back to the offended staff person; your request that she go to the EEO office was indignantly rejected. You have talked with others however and feel that someone really must report the harassment to EEO as your employer requires. So you've asked the offended staff person to meet with you once more.

You are very much dismayed. You cannot imagine continuing to work with your management colleague (the alleged harasser) unless and until this is settled. You do not know how easy it would be for the staff person to transfer and that doesn't improve your situation anyway.

Please stay in role for this negotiation. You may make up any small details you wish (especially about yourself and your own situation). You may come to any realistic agreement with the offended staff person, but remember the company has a policy that she — and you — report any evidence of harassment. Moreover you know these situations often leak, so your behavior may come under scrutiny.

All in all it is important to you that the staff person in fact talk with you today — and that the situation be dealt with effectively. You can use any realistic tack you wish: persuasion, a direct order or any other real-life mode you choose.



**MANAGER'S DILEMMA:  
THE OFFENDED PERSON  
(Secret Instructions)**

You are the offended staff person in this case. You learned today that you were overheard on the phone describing the harassment you have been enduring from one of your bosses.

The manager who overheard you has asked to meet with you. You are pretty sure this manager will re-iterate a request that you go to the company EEO office to report what has been happening.

You are very much dismayed. You are angry with the manager who eavesdropped. You are angry with the situation you're in. You must keep this job. Your spouse would be extremely angry if the situation comes to light. Your family would not understand. You do not know whether you can get a transfer within the company. You hate the idea of talking with some strange EEO officer. And you are really upset, and having nightmares, about the boss' touching you.

Please stay in role for this negotiation. You may make up any small details you wish, especially about yourself and what has happened to you. You may come to any realistic agreement you wish, with the eavesdropping manager. However you need not come to any agreement at all if you do not wish to. (Please, though, do talk with the eavesdropping manager for at least 10 or 15 minutes.)

### ***Alarming Night*** **Instructor's Notes**

I have often used this case just for class discussion (as in the 10<sup>th</sup> class). But I also use it as the backdrop for role-plays, in the class where the students are “building a conflict management system.” A major dilemma for building a system is whether one is building it for the employees, or whether one is building it for senior management, or both.

The role-play illuminates these differences. Students prepare in role --- with other students having the same role and they should prepare at length out of class or in-class. Two employees then deal (in role-play) with one senior manager. The ensuing discussions are likely to help students understand the sense of powerlessness that employees may have and the self interest that a CEO may feel.

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**AN ALARMING NIGHT**  
**Designing an Internal Dispute Resolution System**

**(Secret Instructions for Dr. Y. T. Links)**

You are the CEO of Chiplinks. As a result of recent Federal regulations, your lawyer has advised you to set up an internal dispute resolution system immediately. You have told Chris Lee and Piro Pati to think about this question also, since your lawyer strongly recommended consultation with employees.

Here are the questions on your mind:

- 1) What are the options that should be offered in the new dispute resolution system?
- 2) What other ideas do you have about how the system should work?
- 3) How will you conduct the discussion with Lee and Pati?

Y.T.: Please imagine that you know that there was some concern about the alarm system.

## AN ALARMING NIGHT

Chris Lee walked slowly to the parking lot at midnight Friday night. Chiplinks Company had hired Chris six months ago, as an assistant plant manager, but Chris was not happy.

Chris had come to work late Friday evening after a business trip, determined to catch up on paperwork (and take some work home) before Monday morning. Once inside the plant, Chris had decided to wander around. It always made sense to chitchat with the senior scientists. Many worked odd hours; a Friday night would be a good time to touch base with any round-the-clock type who happened to be there, Chris thought.

Chris had been greeted by the security guard at the desk and then had gone back to see the guard an hour later to ask a question: "Why are the toxic gas alarms off, on the third floor?" The guard had looked nervous and denied noticing that the alarms were turned off, even though the alarm box lights were obviously off at the front desk. Chris had gone back to the third floor, methodically turning alarms back on in each area of the third floor, and methodically closing and locking the safety doors between the third floor work areas, since the toxic gas alarm system would only work when the doors were all properly closed.

At the end of the third floor, Chris found Piro Pati. Pati was a technical assistant to Y.T. Links, founder and CEO of the Chiplinks Company. Links held patents on a number of computer chip innovations and was well-known for continued research in chip design. Pati was one of several technicians working on a new idea. This was an area of the plant that Chris had hardly seen before; it was Y.T. Links' personal domain.

Chris was upset about the alarm system. "How can you not have noticed that the alarm system was off?" demanded an angry Lee of Piro Pati. At first Pati wouldn't answer — then Pati dissembled — then finally muttered that Dr. Links always turned the system off when working at night, to facilitate moving from work area to work area. Chris had then surveyed the work area around Pati: open beakers, unlabeled bottles, odd-looking bits of things on the floor. "Don't you realize that these work habits might endanger everyone on the whole floor, when they come in to work the next day?" Pati had merely nodded. "You know what Dr. Links is like," replied Pati.

Chris did indeed know what Links was like. Links' temper tantrums were legendary. Employees, even valuable employees, had been humiliated in public and fired on the spot, just for asking questions. Chiplinks people were paid far above industry average, they had extraordinary benefits.....and they kept their mouths shut.

**AN ALARMING NIGHT**  
**Designing an Internal Dispute Resolution System**

**(Secret Instructions for Piro Pati and Chris Lee)**

You have been asked to meet with each other to discuss and recommend a dispute resolution system for the company. You are happy about this assignment because of the recent unhappy discussion on a Friday night-and since Chiplinks now employs about 500 people, you think some kind of system is really needed. You will be meeting shortly with Dr. Y.T. Links.

Please spend 15 minutes on the following:

- 1) What are the options that should be offered in the new dispute resolution system?
- 2) What other ideas do you have about how the system should work?
- 3) How will you pursue this discussion with Dr. Y.T. Links?

Piro and Chris: Please imagine you had a long conversation last Friday with each other and with other employees about the toxic gas alarm system problems.

## Designing an Internal Complaint System

### General Instructions

Robin Stellar, a research scientist at Biochemix Unlimited, came in early to the lab and overheard Archibald Arrow, a young research colleague talking on the phone. He was talking about Rupert Overween, head of the laboratory in L Building at Biochemix. Archibald seemed very upset. He was talking on the phone with his brother. This is what the research scientist overheard.

Archibald said that he had recently gone through a pile of correspondence in the lab director's office. Overween had asked Archibald to pull out two manuscripts sent for review—he apparently asked Archibald to read them and draft reviews for his signature. Overween had told him that the reviews were due a month ago, so Archibald came in very early to work on it.

In that pile, Archibald said that he accidentally found a patent application, completely filled out, signed, sealed, delivered—with letters attached showing that the application was accepted by the US Patents Office. Archibald was telling his brother that the patented invention was actually his own work. Not only that—Archibald mentioned that he had done much of the work before he even came to this company. Overween apparently simply took the invention and turned it in as his own; his was the only name on the application. Archibald thinks the licensing rights may possibly be worth a lot.

Robin Stellar came out into the lab as Archibald got off the phone, and told him that he should file a formal grievance or get a lawyer and go to the US Patents Office. Archibald seemed very uncomfortable...and then became furious with Robin for eavesdropping and then muttered, "There is nothing at all I can do. This is just the way things are. Stiff upper lip. In this lab you gotta be a team player and know your place on the team. Overween is simply much too powerful. You cannot tell anyone about this."

Prof. Mary Rowe, MIT, Cambridge, MA

## Designing an Internal Complaint System

### Secret Instructions for Rupert Overween (The Lab Director)

Senior management at Biochemix Unlimited recently decided that the company needs an internal dispute resolution system. As the head of a major laboratory, you have been asked to join a committee to draft some possible specifications for this system. The committee will include a number of research staff.

You were really annoyed about this, but senior officials have convinced you that there needs to be something on paper that the company can point to—several recent pieces of legislation make it advantageous for companies to appear to have such a system. You think this is all another example of over-regulation by the government but you agreed to give a few minutes to lay out a plan for internal dispute resolution.

You woke up this morning thinking about how to keep this new system from being yet another set of constraints on creativity and yet more loss of control with respect to the ability of senior scientists to run the company. You believe in the traditional rights of Principal Investigators and believe you are and should be in control of all the operations and achievements of your laboratory.

You will be meeting in a few minutes with others on the committee to discuss the basic specifications for the system the company might adopt. Please prepare with several other colleagues a list of specifications that you believe to be important.

**Please stay in role for this assignment—try to imagine what Overween actually would want, and prepare and play the role accordingly? You may make any presumptions you like about what you read in the General Instructions. You can consider yourself guilty or imagine you've always been ethical. You do know that from time to time junior people imagine—and claim—all kinds of irresponsible rights to intellectual property.**

Prof. Mary Rowe, MIT, Cambridge, MA

## Designing an Internal Complaint System

### Secret Instructions for Robin Stellar and other Colleagues of Archibald Arrow (A research scientist)

You have just been informed that Biochemix has decided to draft specifications for a new internal dispute resolution system for the company. You are very pleased about this development, though you were also puzzled about why the company might be taking this step. You asked around and learned that Biochemix has just noticed that various recent pieces of legislation make it important for the company to be able to point to a good internal complaint system.

You and others like you strongly agree that the company needs an internal dispute resolution system. You recently were very upset by overhearing allegations about some behavior from your Lab Director, Rupert Overveen, that if true would be unethical. You are very pleased that several research staff, you included, have been asked to join the drafting committee. You decide to meet with two other research staff who will be meeting with you to draft some specs for the new system. You will then be meeting in a few minutes with Rupert Overveen to discuss the basic specifications for the system you propose. Please prepare with these other colleagues a list of specifications that you believe to be important. The lab heads may not give you much time so you should be prepared to be specific and well-organized.

**Please stay in role for this assignment—try to imagine what the colleagues of Archibald actually would want, and prepare and play the role accordingly?**



# Options in a System

**Training**

**Systems Change**

Arbitration/Adjudication

Investigation

Formal Mediation

Shuttle Diplomacy

Generic Solutions

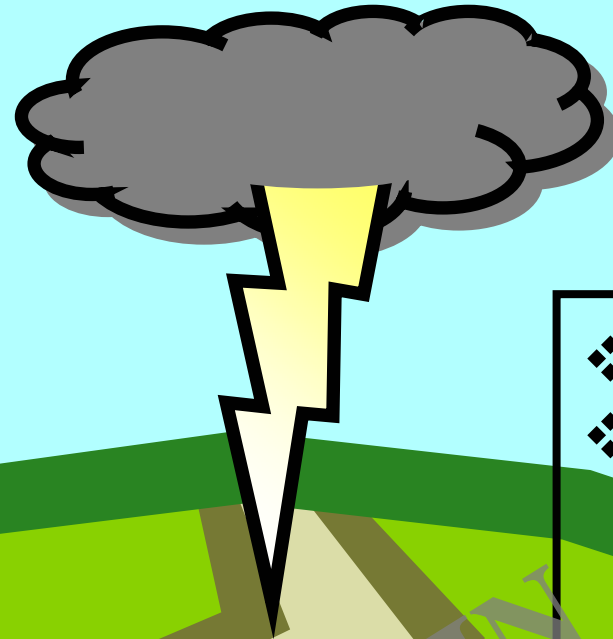
Referrals & Consultations

Helping People Help Themselves

**Listening &  
Affirming Feelings**

**Giving & Receiving  
Information 1 on 1**

# When Options Fail



- ❖ Quit
- ❖ Gossip
- ❖ Postings to Chat Room
- ❖ Agency Complaint
- ❖ Boycotts
- ❖ Sabotage

- ❖ Law suits
- ❖ Starting a Competitive Venture
- ❖ Newspaper Campaigns
- ❖ Congressional Investigation
- ❖ Violence

## ANONYMOUS QUESTIONNAIRE

### ON SOURCES OF SATISFACTION AND SOURCES OF DISPUTES

#### IN THE WORKPLACE

- I. People vary a great deal in their sources of satisfaction at work. Here is a typical list of sources of work satisfaction. Please put a 1 and a 2 next to the two points that matter most to you.

Sources of Satisfaction	Rating
Salary and benefits	_____
Status, power and influence	_____
Pride in the quality of the specific goods or services you produce or deliver	_____
Interactions with colleagues, work-group relations	_____
A chance to use your skills and to acquire new skills	_____
Control over your work; some sense of independence; a chance to run your own shop	_____
Other:	_____

- II. People also get into disputes at work over almost any subject. Some of these disputes are noisy conflicts; some are just experienced inside one's own head. Please try to remember a workplace conflict that you found particularly upsetting, at any time in your life. Would you circle the item above that comes closest to defining the subject matter of the conflict or dispute?

## **Elements of Due Process or Fair Process** (as commonly recognized in the United States)

**I. Due process may be seen as a matter of specific elements of process** prescribed by various laws, statutes or policies, for example:

- Notice to the defendant; right to know the charges or all the major elements of the charges. In some cases the right to know the rules and policies that are relevant; in some cases the right to know who is the accuser;
- Timeliness of the process and of each step of the process;
- Right to present one's own evidence; in some cases the right to question the evidence brought by the other side; in some cases the right to face or meet with the accuser; the right to respond to the concerns that are raised;
- Right to accompaniment and someone to advise; in some cases the right to legal counsel;
- A fair and impartial fact-finding; a fair and impartial hearing;
- Right to a decision that is not capricious, unreasonable or arbitrary in nature;
- Notice of the decision; in some cases the right to a written decision with a statement of the reasons for the decision;
- In some cases the right to an appeals process;
- Freedom from retaliation, especially when raising a complaint in a responsible manner and in good faith;
- In some cases the right to have one's case treated the same way as similar cases;
- In some cases the right of privacy, as far as possible, for all concerned.

**II. Due process may also be seen as “that which is due under the circumstances.”** Sometimes people use the term just to mean “the process I think I deserve” whether as a matter of law, employer policy, or just what the individual thinks is “fair.”

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Because of the considerable ambiguity of the term “due process,” a prudent manager may prefer the term “fairness” — or speak only of specific elements of procedure — rather than risk serious miscommunication. In particular, one does not wish to appear to have promised any specific element of procedure which an employer does not necessarily guarantee, such as an open hearing or right of cross-examination.

## **Dealing with Difficult People --- *Getting the Package to the Airport* Instructor's Notes**

Neophytes sometimes think that their workplaces will be devoid of truly Difficult People --- abrasive people, negativists, those who blame others for every mistake and so on. It can be difficult to address this topic in a classroom because there are so many varieties of people whom others find "difficult."

For this reason I first set the apparently odd task, "When is a Difficult Person not Difficult?" --- using the worksheet and often encouraging students to work together. Students will immediately come up with long lists which illuminate the fact that "difficult-ness" is not uniform, and that it can be managed.

I set the fanciful role play about getting a package to an airport in order to show that a person may sometimes be dependent on people who are difficult to supervise, and that there are helpful ways to manage in such a situation. The role-play itself, at least in North America, is also hilarious. The student who plays Ashley Nonnon will usually be creative and delightful (for the onlooker, not for the supervisor). The play will of course take only ten or fifteen minutes. The debrief must be generalized --- to include "negativists" --- but also to embrace dealing with anyone who poses a problem in the workplace. I draw heavily on the work of Ury, Bramson and Solomon (see Resources).

## GETTING THE PACKAGE TO THE AIRPORT

Ashley Nonnon

(Secret Instructions)

You have just joined a new startup consulting company in the suburbs in Massachusetts. You have also just moved to this area and do not know very well how to get around. Public transportation seems to you completely impenetrable. Taxi service has been very unreliable. Road signs are few and far between; you are very tense about reading maps. The area is very complicated for a driver, with small towns, meandering roads, limited access highways, etc. You have just about learned how to get from your home to work without getting lost. Actually you did get lost — again — last night in the rain. Blimey, how you hate maps.

The weather is terrible. Your eyes itch. You are sorry you moved here. What you really need is time to think through each problem on your desk. You are depressed that your supervisor, Kim Rising, is coming in to see you, doubtless to ask you to do something.

It is 9 am; you cannot bear the thought of being interrupted. Your nose has also started to itch. Maybe you need new glasses? Your back hurts a bit from the extra driving last night. Your arms hurt from too much computer work. Is this the beginning of repetitive strain injury? You are not at all sure you can get through all the things on your desk.

**Ashley: Stay in character. You are a negativistic, dour pessimist. You spread depression everywhere, and are jolted by abrupt changes in your life. Nevertheless, if approached the right way, you are a terrific worker. So try to get into this character and be helpful only if you feel Ashley really would. But please drag your feet, in any way you can think of for the first five minutes. Be creative but be sure not to smile at your own creativity. (Ashley NEVER smiles.)**

**Please stay in the classroom or nearby?**

## **GETTING THE PACKAGE TO THE AIRPORT**

***Kim Rising***

**(Secret Instructions)**

It is extremely important to you to get a package to the airport, to a very reliable special courier service. Your new, tiny little, startup consulting company is in the suburbs. Taxi service is quite unreliable and in any case you are very concerned about the value of the materials—they are time sensitive and not replaceable. Public transportation is circuitous. You could take the package yourself but you very much want to finish a project if possible. The package contains materials that cannot be faxed and they must arrive in Washington tonight by 10 pm, to be put into the hands of someone who must work with these materials over night.

You will ask a new subordinate, Ashley Nonnon, to get this package to the airport by car, on the way home. Unfortunately Ashley lives a good distance from the airport; your plan is to ask Ashley to leave work very early. You have a possibly helpful map of your area; (your suburb is deep in a tangled web of small towns and highways).

It is now 9 am. The package will be ready at 1 pm. The courier service must have the package by 5 pm at the airport in order to deliver it tonight in Washington on time. You estimate the trip cannot possibly take more than two hours.

Ashley is very methodical, not to mention quite obsessive—and a difficult personality. Ashley always finds problems with any new idea. You would prefer to send anyone else, but there isn't anyone else. You have called all the limousine and drop-off services in Boston. None are available today. You prepare to address your request to this very negativistic personality.

**(Kim: Stay in character; make up any small facts you need; do the best you can. Can you lay a plan? We will ask you later what it was.)**

**Please stay in the classroom or nearby?**

## Some Potentially Difficult Situations You Survived in 15.667

Dealing with:

- people you do not know who are following secret instructions;
- people who may be lying;
- someone alleging racism, or a sexual attack;
- someone alleged to be racist, sexist;
- a performance evaluation with insufficient data;
- how you might plan to fire someone;
- a #2 who wants the job of the boss;
- a potential conflict of interest with a husband and wife team, where the company needs the husband;
- various possibly unethical situations;
- an international recruitment situation with many unknowns in job and compensation;
- negative, one-point, and wide positive bargaining ranges;
- bargaining in terms of feelings, time, and status, as well as money;
- brainstorming with large and small groups on relatively delicate issues; use of a Devil's Advocate to prepare;
- being surprised: often with too few or misleading data, by a large bargaining range, a mediation where it was impossible to be sufficiently prepared; a mob;
- aggressive competitive Others; people who rely on "commitment" power;
- a mentoring problem in an uncertain but hierarchical structure;
- coalitional bargaining where prior relationships play a strong role as well as "rational" bargaining strength;
- constructing the elements of an effective apology;
- considering the elements of a fair complaint system—and how different people see complaint options;
- understanding common sources of stress;
- how to address a serious complaint or perceived injury;
- how to choose an option for a complaint; how to help an Other to do so;
- how to think about different sides of a painful or even dangerous misunderstanding;
- whistleblowers and whistleblowing issues;
- a case involving the elements of fair investigations with no prior warning;
- potentially dangerous situations;
- people with various personality problems: e.g. negativists, people who are pointedly unhelpful.
- the professor.....



## COPING UNDER EXTREME CIRCUMSTANCES

- If everything else fails, tell the truth....
- Prepare ahead, in any way you can, for a situation you think will be tough;
- Seek out any completely trustworthy advisor (religious counselor, psychologist, etc.) and friends and family; build support relationships; find a relevant support group;
- Set a routine for yourself;
- Take action, even small actions; between action and passivity, choose action if possible;
- Plan in small bits, if necessary; get through the next week, the next day, the next hour;
- If possible, find something wonderful in your life (children, art, memories, music, fantasies, etc.);
- Is there anything you can do to create a BATNA (an escape, a fallback position)?
- Exercise, (dance, run, swim, bicycle or whatever), in such a way as to raise your heart-rate continuously for at least half an hour a day. Not only will you be fitter but you may raise your endorphin level to help deal with pain;
- If all else fails, practice denial.

LISTEN: Whatever happens, imagine that it is "data." Keep a journal or do any other kind of writing that reaffirms your discussion with yourself, drawing on your own values. These views and feelings may be shared with a few trusted others.

- For more information, see Robert Lifton's work on survivors of "brain washing."

## When is a Difficult Person not a Difficult Person?\*

- When I perceive the “difficult person” to be “like me.”
- When someone else deals with the difficult person who does not find the person difficult.
- When the person gets his or her way.
- When the person is not feeling threatened.
- When the person agrees with me, or listens to me.
- When it is useful for me for the person to be difficult (with someone else).
- The person may not seem to be difficult to himself or herself.
- When other people are around, and constrain the difficult person.
- When we are alone together and the person relaxes.
- When the issues are depersonalized.
- When we both can laugh.
- When the person recognizes superior power, and calms down.
- When the person is effectively sanctioned.
- When we all are focused on a common goal, and immersed in the work.
- When the person is well-prepared.
- When I am not in the person’s way.
- When the person is appreciated/recognized.
- When the person recovers from illness or from being afraid, or anxious.
- When I see it’s just the person’s outward style, and learn to like and trust the person.
- When the stress is off both of us, and “the time is right.”

\* You probably cannot change another person but these ideas may bring inspiration.

**—Worksheet—**

When is a Difficult Person not a Difficult Person?

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## NOTES ON OPTIONS FOR MANAGERS

### A. Plan and Prepare:

- Estimate your time constraints — **is this an emergency?** Do you have time to give the complainant a little time to compose his or her thoughts?
- Consider whether you are the right person to deal with this complaint;
- Determine whose interests are at stake and what those interests are;
- Determine who “owns” this question. Who is responsible for this subject or problem? Who in management would think they have a right over this subject? What about the original source of the complaint — does that person feel he or she “owns” the complaint or ought to be able to do so?
- Consider seeking advice, making certain that you have permission\* to do so. Seek advice from people who might understand some aspect — the technical points or the racial context or the policies and laws at stake — better than you. Ask for unforeseen issues, precedents, etc.;
- Gather any facts that are cost-effective and ethical — and, perhaps unobtrusively available — to gather in the time you have. Depending on the situation this might be done by you or for you or for some other manager;
- Brainstorm — with someone else if possible — all the constructive and unconstructive options open to each actor. This will lead you to doing an analysis of the sources of power\*\* for each of the actors. Be sure that you have thought through the covert and “acting out” options open to each actor;
- Brainstorm a second time if the situation is very serious — feelings, interests, positions, options and the policies and principles and laws that should govern this situation;
- Make notes — figure out a plan for action, and a plan for follow-up. (This is **essential** in harassment, safety and ethics cases)

### B. General Principles

- Help the complainant pick an option — or if necessary in an emergency, you pick an option — that you think may really work. One wants to avoid half-hearted measures and escalation, so plan to expend 101% of the effort that will be required for the option that is chosen;
- Other things being equal, offer options that resolve the problem at the lowest possible level. “Delegate” as much complaint-handling as you effectively can — empowering others is probably efficient for you and may produce better answers in the short and long run;
- Protect people's privacy in every responsible way you can.

## C. Help the Complainant Choose an Option

### 1. Helping People Help Themselves:

#### a) How to do it:

- Ask the complainant to consider all the other options as well, and consider them again before any action is taken. Be sure that if this option is chosen, that the complainant knows other options exist and has freely chosen this one. This is **essential** for harassment, safety and ethics complaints;
- Explore facts and feelings with the complainant — take enough time! Listen, listen, listen.....;
- Explore with the complainant, what the Other would or will think, say, do and feel. You may wish to role-play: “I’ll be you — you be the Other”;
- Consider re-reading Drafting — and Perhaps Sending — a Private Letter to a Person Who Has Harassed or Offended You;
- Encourage your complainant to draft a letter to the Other, writing several drafts if necessary, with facts, feelings, and recommendations in separate sections. Characterize this step as a preparation step that might help with any option, not as a commitment necessarily to send the letter;
- Help your complainant choose an option for handling the complaint. If the option is to be that the complainant will handle the problem directly, help him or her to choose whether to handle the problem in person or on paper, or both — for example, by delivering the letter in person. The complainant should keep a copy of a letter, if any, but usually should not send open or covert photo-copies to anyone;
- Prepare for all logical outcomes on the part of the alleged offender, so the complainant will not be surprised by the outcome, whatever it is;
- Follow-up with the complainant. This is **essential** with harassment, safety and ethics complaints.

#### b) Why to choose this option:

- The complainant wants this option;
- This option helps to support peoples' control over their own complaints. For many people, handling a problem directly, if it is effective, may be a preferred process — because they maintain control — no matter what the substance of the complaint;
- This option may be the only reasonable option if there is not enough evidence and when it is impossible or too expensive for the complainant or the employer to get all the facts;
- In addition, direct action by a complainant is frequently the most effective option, in terms of “just stopping” offensive behavior, where there is no evidence for the offense beyond the complainant's own statements;
- In most cases handling a problem directly is less likely to provoke attempts at reprisal, since reprisal is often provoked by intervention by a third party — dealing directly does not “rock the boat” and is often preferred by the Other;
- This option is likely to take less time and cost less;
- This option is sometimes better in terms of timing and other psychological variables, due to the complainant's superior knowledge of the situation;
- This option usually permits the widest variety of “next steps,” if this step does not work, and if more action is desired;
- This option may prevent mistakes based on insufficient data and/or different perceptions of the facts — this choice makes it much more likely that the complainant will learn what should be learned about the facts and the Other’s perceptions of the facts;

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- This option may help to teach offended people a method for dealing with problems and offenses. Moreover, teaching a **method** for dealing with problems — rather than just solving the specific problem — appears to make it less likely that the complainant will be offended in the future — possibly because it may help such a person to learn how to prevent interpersonal problems;
- Delegating complaint-handling makes a more efficient enterprise, (as with any other effective delegation of responsibility);
- Handling problems directly appears to some people more moral and more fair. In particular many offenders hate to have some one go around them;
- This option helps to preserve the privacy of all;
- This option helps to protect the rights of the Other;
- This option will usually provide more leverage for management, if management action is needed later on, because of the evidence provided by a complainant's letter, or by the complainant's direct attempt to get the situation resolved.

**c) Caveats:**

- This option has only limited goals — there is not likely to be much system change, or consciousness-raising of others from the use of this option, unless the option becomes widely known and used in the company;
- Follow-up may be essential if a manager knows about the complaint;
- “Justice” may or may not be served;
- If a complainant sends a letter, that letter then belongs to the recipient and can be used by that person. This can be damaging if the letter is inaccurate or embarrassing;
- There is usually no central record, created by a direct approach, which is a drawback in the case of repeat offenders. In choosing the direct approach, the “system errors,” if any, will be errors of omission — too little being done — rather than errors of commission — too much being done.

**2. Shuttle Diplomacy and Mediation:**

**a) How to do it:**

- Consider all other options, with the complainant and by yourself. Be sure that you have permission\* to talk with everyone with whom you will need to talk. Remember that in most situations formal mediation should be voluntary for all parties, though shuttle diplomacy need not be;
- Seek advice, from counsel, EO, ER, mentors, superiors, etc. if appropriate. Consider reading Christopher Moore’s Mediation Process;
- Consider how and when to enter the dispute. Can you enhance your credibility? Is there trust and rapport — is there anyway you can build trust? Think about timing and place, etc. Is there an understanding of third-party intervention of this type? (Most people understand shuttle diplomacy. Fewer people understand mediation.) What are each party's expectations of you?
- Investigate a little if you can do so at no cost. Are there records? Will the parties have data they can prepare for you? (In a formal mediation, the parties should come to their own settlement — you should not act as a judge — but you as a third party will be better off with as much data as you can get, in either shuttle diplomacy or mediation);
- Prepare and plan for all logical outcomes — beginning with the standard analysis of feelings, interests, positions, options, policies, laws and principles that may pertain or should pertain;
- Choose a mode for how you will enter the dispute, remembering that — within hierarchies — shuttle diplomacy works better for most people than does mediation. (See

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also point "c", below.) If mediation appears to be a good choice, then consider using shuttle diplomacy first, to prepare people for the mediation;

- Follow the basic steps. Prevent emotional withdrawal if possible. Save face for everyone if you can. Protect and support conciliatory feelings if possible. Seek out all the interests again and again, and deal with the “positions” that come up. Brainstorm if possible — expand the pie if you can — wait for the parties’ own solution if it will come. Then help narrow the issues; help in assessing and choosing an option; come to a conclusion; state the conclusion; write the settlement if appropriate;
- Follow up if appropriate.

**b) Why to choose this option:**

- The parties want this option — and you have been asked to conciliate or mediate;
- You feel comfortable with this option — you know you are good at it and you know you are reasonably impartial;
- This kind of complaint-handling is consistent with your employer's “culture” — the norms support each side giving a little and the norms support cooperation;
- The timing seems right. For example, they have tried to settle this themselves unsuccessfully, but they are not yet hopelessly polarized;
- You believe that you will be able to problem-solve, to help them come to their own solution, to help them exchange information and perceptions, to build trust;
- The parties are inter-dependent and this is not a win-lose situation;
- The parties each perceive that they have weak BATNAs; there is reasonably equal power in the situation;
- Your employer has a high investment in a good outcome for each person involved;
- The right people are actually available to deal with.
- It is acceptable or even preferable in this situation for there to be no organizational record of the dispute. (Note: the parties as a condition of settlement may want the settlement on the record, but many disputants choose mediation precisely because no record will be kept.)

**c) Why to choose shuttle diplomacy rather than mediation:**

- This is the option that the parties want, or that one person wants, or that you prefer;
- Trust is a major problem;
- “Face” is a major problem;
- Privacy is a major problem;
- This is the best way to get the data that are needed;
- A single text option is going to work best with these people;
- This option is much more convenient;
- This is the only way to substitute for someone who cannot be there for face-to-face mediation;
- This is the only way to deal with the situation because you cannot discuss all the relevant data with one person or the other;
- This is the best way you can think of to deal with an imbalance of power.

**d) Caveats:**

- Do not use mediation or let others do so where what is really intended is to lay down the law or otherwise adjudicate, or arbitrate. People will quickly come to distrust the process if they were brought together to find (or to help to find) their own solution and the “mediator” provides and insists on his or her own solution;

- Do not let mediation be used as a tool for formal investigation or where the employer believes it will learn facts that will force it to adjudicate;
- “Justice” may or may not be served;
- If the settlement is not kept by the employer there will be no organizational record of the dispute;
- Mediation may not provide good “precedents”.

### 3. Investigation and Adjudication or Arbitration

#### a) How to do it:

- The complainant should consider all other options. The investigator should if possible have permission\* to use the information that it acquires, (except in the unusual circumstance that there must be a truly clandestine investigation;)
- Under ordinary circumstances the employer should not take adverse administrative action against an employee without a fair process\*\*\* beforehand. Emergencies may occasionally pose a problem in this respect, but the employer should consider carefully whether a fair process can occur, before it fails to initiate such a process;
- Should advice be sought from counsel, EO, ER, mentor, a superior, etc.?
- The employer should consider who should be the investigator(s). For example, it may wish to insulate a decision-maker from any bias or perception of bias, or from backlash. It may wish to find special, perhaps technical, expertise in fact-finding, or persons of a given race or gender.
- The employer should consider separating fact-finding from decision-making so a different person does each task.
- The employer should consider what should be the charge to the fact-finder, and what should be the limits or scope of the investigation;
- The employer should consider whether the investigation should be formal or informal, and whether the investigator should or should not be asked for formal recommendations. It should not ask a junior person to make formal recommendations;
- The employer should consider the timing of the investigation, which should typically be “fair, prompt and thorough.” (Note that an **expeditious** investigation will not necessarily be possible);
- The employer should consider carefully all the non-invasive sources of data, for example, records, reports, etc., before going to disruptive sources of data;
- The employer should consider very carefully who should know about the investigation, beginning of course with whether it will inform the subject of the investigation. The employer should consider who will be informed about the process of an investigation if it takes a long time, and on what schedule;
- The employer should prepare and plan for all the logical outcomes, beginning with the standard analysis of feelings, interests, positions, options, policies, laws and principles that may be relevant. It is particularly important to do a careful analysis of the sources of power of each of the people involved, and a careful analysis of unconstructive as well as constructive options open to each of these people;
- The employer should arrange for appropriate review of the results of any formal investigation — for example by legal counsel — before administrative action is taken;
- The employer should anticipate and plan for follow-up steps after investigation and adjudication have occurred.

#### b) Why to choose this option:

- Where the employer is required by law or policy to investigate, and/or adjudicate;
- Where an investigator is willing and able to undertake a fair process; (for example having no serious conflict of interest);



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- Where one or both parties wish an investigation and decision-making, and you approve, for example for the reasons above;
- Where both or all parties refuse to negotiate or mediate; where the parties cannot learn how to negotiate fast enough to deal with the problem that must be resolved;
- Where a win-lose decision is the right decision — for example it is a hopelessly distributive problem — there is an emergency — or it is clear that one or both parties are lying about something serious;
- In lose/lose situations where the goal is to minimize the maximum feasible loss;
- Where you can easily see a win/win adjudication;
- Where there is a hopeless power imbalance, or a desperate problem of saving face;
- Where the future relations of the parties are not a concern or might actually be enhanced by adjudication, or satisfaction of the real interests of the parties is not dependent on their future cooperation;
- Where the stakes for the parties are low, but they are high for your employer.

**c) Caveats:**

- Investigations are often very expensive in time and feelings, and money, and investigations often make people fear and dislike the investigator and decision maker;
- Expect that the results of the process and outcome of the investigation may be made public, possibly in a disconcerting way;
- Be prepared for people “voting with their feet” or expressing other dissatisfaction with the outcome of investigation and adjudication. This is especially difficult in situations where the employer will not be able to give information to the public, and where it therefore cannot defend itself and the process. In such situations it may need to continue to deal with peoples' feelings, and to try to maintain respectful relations with disputants and bystanders, for some time. This may be especially true with people who are — or who see themselves as — “whistleblowers”.
- Too frequent adjudication of disputes may result in inefficient management and loss of motivation — or willingness to speak up — by those involved.

**4. Generic Options and Systems Change**

**a) How to do it:**

- Consider all other options with the complainant to be sure this one is appropriate. Be sure that you have permission<sup>7</sup> or a right to use any information you will need to use. Alternatively you could try to work with the complainant to devise a method whereby an appropriate office (like Safety or Audit or Environmental Hazards) can be alerted to collect the information that is needed — on an unobtrusive or apparently routine basis — without your having to break anyone's confidence;
- Ask yourself, whose interests are at stake? (Make a list). Ask yourself, who “owns” this problem — who would feel a right to dispose of or prevent this type of problem? (Make a list). Consider these lists carefully before you decide where and how to intervene;
- Consider the time constraints. Is this urgent? Is this a problem that needs careful study?
- Do a quick and practical cost-effectiveness analysis in your head about whether and when and how a systems approach might help;
- Consider whether to design a way to find out later if the systems change is working.

**b) Why to choose this option:**

- Where the complainant chooses this option;
- Where a systems change is required by policy or law;
- Where you personally are willing and able to pursue a generic approach;

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- Where many people are likely to have the same problem, the costs of not fixing it are high, or for any other reasons the cost-benefit analysis is favorable;
- Where the workplace culture is, or should be, tilted toward preventive measures as well as complaint resolution;
- Where for confidentiality reasons you cannot address the alleged problem of an individual (e.g. sexual harassment or unpaid overtime required of a non-exempt employee) but a “generic” address to the problem (e.g. a training program on harassment or a departmental reminder on the overtime laws) is likely to resolve the problem of a known individual who will not otherwise come forward;
- Where the complainant or the offender is unknown (e.g.. the complainant is anonymous or an anonymous person is making obscene calls);
- Where you have picked up a problem new to the company, that will need to be thought through, or where the ramifications of a problem are as yet unknown and should be considered at top management levels;
- Where the only satisfactory approach will require cooperation between the company and outside persons or entities.

**c) Caveats:**

- A systems approach may not satisfy the feelings of individual complainants, especially if a problem is taken out of individual hands, or the solution takes a long time, or a “vanilla” solution must be adopted to placate strong competing interests;
- “Justice” may or may not be served in the individual case that is dealt with on a “generic” basis;
- If a systems approach is used to deal with an individual case, follow-up with the individual who complained may be essential, to be sure that the individual problem does not recur;
- Some managers will complain that a systems approach was not needed, for a problem that they never knew existed, or thought to be trivial, or very rare;
- One must approach the system in the right manner, at the right time and at the right level. If you think this is not possible at the moment, this may not be a good option.

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\* Confidentiality and Privacy: Always get permission, if you can, to use the information given by a complainant. Typically one can get permission to consult with others, to use the information on an anonymous basis, or to use the information after a certain period of time has passed (if this is acceptable to you). If all else fails, a complainant will often give you permission to tell a person very high in management, for example, a CEO. It is usually better to spend the time to work very hard to get permission to use information than to expose someone as an informant. When in doubt, (and when an investigation is not clandestine), work hard to get explicit permission before quoting a complainant by name, and in general always protect people's privacy in any responsible way that is open to you.

\*\* Sources of Power in Negotiation include: Legitimate Authority; Rewards; Sanctions; Force; Commitment to a Position; Charismatic/Moral Authority Power; Information or Access to Information; Expertise or Skill; an Elegant Solution; Good (or Bad) Relationship — for building (or losing) power; a BATNA (or fall-back position).

\*\*\* A Fair Process requires, at a minimum, that the alleged offender know the charges against him or her, (or all the major elements of the charges), that he or she have a reasonable opportunity to respond to those charges and to bring his or her own witnesses, and that the matter will be investigated and adjudicated by a reasonably impartial person or persons.

## QIU JU

Is Qiu Ju seeking revenge?  
What does she say she wants?

At what point is a competent investigation finally done?

Does her goal change?

How are bystanders affected, and how do they react when people appear to seek revenge?  
What happens to the person who gets revenge?

How do people perceive complaints that go up the line of supervision? What really does happen when cases are appealed up the line of supervision?

What went wrong in the first appeal?

Are third party complaints common?  
Should they be heard?  
Is Qiu Ju a third party?

What should you do as a manager if you are dealing with a person who "can't let go"?

## A RANDOM LIST OF BASIC POINTS IN THE CLASS

- Prepare as much as possible before a negotiation—the power of information is one that can be leveraged by the young and by women—try to figure out what the interests of all the sides are.
- There are many sources of power in a negotiation, not just authority which most people associate with the (Machiavellian) concept of "power." The powers of information and expertise, moral authority, commitment, elegant solution, etc. are all ones that "unpowerful" negotiators can use.
- Never meet hostility with hostility.
- One of a manager's major duties is to be a complaint handler a lot of the time.
- Respect is always something one can offer in a negotiation, to make it at least a little integrative.
- Every human interaction is a negotiation.
- The concept of the elegant solution—I will search them out!
- Let the complainant hold/control the complaint, wherever possible. (But it is not always possible.)
- Options (including the option of BATNA) permit people to feel better and act more rationally. Thinking up alternative options is in itself a source of power (or empowerment).
- Prepare, Prepare, Prepare.
- Negotiate on Interests not Positions.
- Understand your own interests, skills, habits, preferences, etc., as well as those of the Others. Effectiveness requires this.
- Even when you think you know the outcome, negotiation itself holds many valuable attributes including:
  - generation of creative solutions, potential mutual gain, relationship building, additional personal experience, etc.
- In order to be an effective negotiator, different circumstances may require a variety of styles and strategies, and/or different sources of power. You may change strategies when you see that of the Other.
- People vary in their preference for conflict resolution as well as their sources of satisfaction.

- People are more likely to think you are an effective negotiator if you are collaborative.
- We are all a lot worse at judging when someone is lying than we think we are.
- There are a number of special ways to handle an aggressive, competitive negotiator.
- Coalitions can be extremely powerful, but they require constant attention.
- PIE letters and other written accounts can be very effective as a complainant, a complaint handler, and a mediator.
- Remember the LAST TASK! (Each must think the settlement to be the best possible under the circumstances.)
- Watch out for pot holes as a complaint handler (i.e. talking about yourself, taking the situation away from the complainant)! Staying silent is the safest way to be.
- As a mediator, be sure you have the facts before you mediate and then work towards a PROCESS not a solution.
- I think my favorite may just be a little nugget. It's the idea of signaling with bids. As a seller, if I drop my asking price by 4, then 3, then 2, I'm signaling that I'm approaching the end of my range. Dropping in equal amounts doesn't provide that signal. I really like that idea.
- Before mediating a conflict, try to meet separately with the various parties, especially in a "relationship" conflict.
- Concentrate on interests rather than positions.
- You can *always* offer respect.
- The best tactic in distributive negotiation (or one of them, anyway), is to sow doubt in the Other about their position.
- There are no purely distributive or purely integrative negotiations. So in a negotiation that looks distributive, I can search for interests to satisfy. And in a negotiation that looks integrative, I still need to protect my interests on the distributive aspects.
- Be careful in triads.
- I'm very competitive. Very.
- But I'm also capable of generating elegant solutions.
- Study the interests and position of the Other. (Part of prepare, prepare, prepare.)

- Insufferably Obnoxious Negotiators are virtually always unprepared. Bridge his gap of unpreparedness with our information.
- In a conflict management system, *people should be offered options*. I assume that holds true for me as a conflict manager as well (i.e., I need to remember to offer people options.)
- Negotiating by computer is inefficient.
- Culture matters.
- Be prepared for surprises in negotiation (like a very wide range).
- Always speak well of my classmates (assuming it's the truth).
- Absolutely, positively prepare as much as possible before negotiations begin.
- Negotiations begin now, (or soon as an Other or an issue are identified.)
- Understanding where Other is coming from is the basis of effectiveness in any strategy.
- Always know your BATNA.
- Know yourself—who you are, how you come across, where your major negotiating strengths are.
- Prepare, prepare. Who are stakeholders? Their i's?
- My interests/O's (rights)
- My power/O's power . . . p/pone deadlines!
- Tangible/intangible—you can almost always give respect to make even distributive a little integrative.
- Importance of previous negotiation.
- Info—you have more power than you know.
- Is this an emergency?
- Options! SYSTEMS APPROACH
- If due process is going to lead to discipline be as sure as you can!
- Cooperative does not equal effective or ineffective. Strategy does not equal style. Competitive also does not equal effective or ineffective.
- Last Task. (Darn it. What is it? No problem. Look earlier on the list.)

## **STRATEGIC PLANNING FOR A NEGOTIATION OR DEALING WITH A DISPUTE**

\* Is this an emergency—or a potential emergency? What kind of emergency might this be (safety, company image, security, etc.)? Especially if this is urgent, *with whom can you work?*

\* What are the facts you now know? What do you need to know? How will you find out what you need to know?

\* Who are all the actors? List separately any major subgroups; (few big groups are homogeneous or monolithic, and you may be able to deal separately with—or need to reckon with—some subgroups on each "side"). Whose interests are at stake? Are they "actors"? If not, who will consider their interests?

\* Are the actors willing to negotiate? Why or why not? (How, if at all, are the actors dependent on each other?) If any group is not ready to negotiate (and especially if any group is not ready for "problem-solving"), can this question be addressed first?

\* What are the sources of power for each actor? For example:

- legitimate (or line) authority;
- sanctions (they can organize, and/or produce all kinds of legal problems: absenteeism, paper work, interruptions in service, an injunction, a suit, etc.);
- rewards (they can give out money, status or other rewards to another actor);
- force (the ability physically or illegally to push the situation, as through violence, threats, sabotage, etc.);
- commitment (the ability to lock into a position in a way that must be reckoned with, as in an all-or-nothing public pronouncement, an ultimatum, a game of "chicken", a kamikaze maneuver);
- charisma; moral authority;
- a good (or bad) relationship: ("I'd do anything for him personally"; "I won't have anything to do with him");
- an elegant solution, (some solution that seems perfectly balanced, or perfectly tailored);
- expertise, skills;
- information or access to information;
- a good fallback position, (a good BATNA is the Best Alternative to a Negotiated Agreement; a good fallback position tests the ultimate degree of dependence on another actor and is often a source of major power in a dispute).

- \* What are the public positions (demands) of each actor? (What can you do to forestall commitments to "positions"?)
- \* What are the real interests of each actor? Do these include the interests of all those cited above whose "interests are at stake"? (What can you do to meet at least some of the interests of all sides?)
- \* Brainstorm—with others if possible (and, at a later stage, with the Other Side if appropriate in collaboration)—all the logical options open to each actor. Which are constructive, and which unconstructive from your point of view (or your employer's point of view)? Which option(s) seem(s) most likely in the next, short time period? What kinds of coalitions are open to you—and to the other actors? What would these coalitions mean, especially for your own interests?
- \* What are the policies, laws, principles and other criteria that should be used, or could be agreed upon, to decide this dispute?
- \* What are the real-life, ("reality") constraints here (for example, shortage of time, money, other resources)?
- \* Can you go through this list imagining you are each of the other actors? (One way to do this is to choose a Devil's Advocate in your own group, who will "be" each of the other actors, in turn, during the discussions in your own group);
- \* Check again: Do you have enough information? Would it be cost-effective to gather more information? (List costs and benefits.) Do you have the time to wait? Should you now collect information for some probable "Phase Two" even if you have to act now on "Phase One"? (The test question for deciding whether you have enough data is, "What kind of information would make you change your mind and have you looked carefully to see if such data exist?");
- \* Choose strategy and tactics (who, what, when, where and how for "Phase One");
- \* Now think about "Phase Two." Who will be affected? Who may be happy or unhappy about this decision? Should you prepare for these reactions? (Think particularly of anyone whose "interests are at stake" whom you did not list as an "actor".)

\*\*\*\*\*

Keep in mind, the theoretical elements of success in settling a negotiation or dispute:

1. Negotiations and problem-solving have produced the maximum possible "value added." No more value can be created at this time under the constraints given; the solution is Pareto-optimal; no other solution(s) will better satisfy the set of all the interests examined.
2. No redistribution of value will give significant gains to one side without taking significantly from another; (you can't give more to A without making B feel much worse).
3. All actors believe the process was fair.
4. All actors believe this is the best possible solution under the circumstances.
5. The settlement is legal and proper.

And, remember the Last Task—if possible the parties should come to see the solution as the best possible solution under the circumstances.



**TERRY HARDEL (Navigational Systems)****(Secret Instructions)**

You are utterly exasperated by Josephine McNair. Aerospace money has been drying up, and the field is extremely competitive. Navigational Systems is now competing internationally and the pace is fierce. You've had no vacation for 18 months. In fact you have worked nearly every weekend for 18 months. Navigational Systems may get a huge new contract in air traffic control if you can gear up fast enough in the new group and you really want to land this major contract from DOT. But each unnecessary glitch, like McNair's wanting to see you, is one more drag on your ankles, and you are extraordinarily tired.

The promotion for Joe Abernathy is, you think, a perfect idea. You were delighted to be able to offer him such a plum since you want desperately to keep him, in a hotly competitive field. This obviously would do it. There weren't many managers who'd take this kind of risk for a young man, but you were willing to gamble on his abilities. You'd expected him to be damn grateful. Also, promoting Joe tomorrow will save you a lot of time and money. On top of everything else Joe has been something of a recruiter—he's pulled in four more Ph.D.s from Cal Tech, each saving over \$50K in recruiting costs—and best of all, these guys all speak the same language. It will save you some time.

You cannot imagine why Josephine would get in her husband's way. Any adult would have expected Navigational Systems to have an anti-nepotism policy with respect to supervision. Besides, your need for a theoretical physicist is just about over. McNair had gotten her assignment up and running, and someone else could do the computer simulations this coming year. Time to send her to that other project soon anyway, and those guys will be glad to get her. Just as well it's across the city.

You glance at your watch, impatiently....time....time....time. You would like to get Joe up and running in the new group tomorrow. The sponsor's site visit comes in 12 weeks. At a minimum it will take 6 weeks for Joe to get his group together before the site visits. Three months would be enormously better. Josephine's appointment with you has already put things back a day....you want to get Joe appointed....Funny, Joe hadn't accepted immediately yesterday. He said he had to talk with his wife. He should have accepted and then told her. Damn all, you really need him. How soon can you get this show on the road?

\* \* \* \* \*

**Terry: This manager may not remind you of yourself. If you feel this Terry is "not you," then either play yourself, or, better yet, try out using a tough style. In any case, stick to these facts, and to company policy, in your negotiation with Josephine McNair.**

## JOSEPHINE MCNAIR (Navigational Systems)

### (Secret Instructions)

You are off to see the Division Chief, Terry Hardel, after staying up all night talking with Joe.

You are absolutely furious. Neither your present Group Manager nor Hardel has had the courtesy to call you in or talk with you. In fact, Hardel probably would not have seen you except that you simply insisted.

Obviously you've known all along that your marriage might get in the way of a promotion for either you or Joe. You've known that Navigational Systems has an anti-nepotism policy with respect to supervision. And since theoretical physicists normally do not become managers in engineering firms, you always knew it would be Joe who would get promoted, if it happened to either of you. In fact you and Joe had even explored this point with your present Group Manager, when you got married. He had said:

- 1) "No one had ever been promoted to head a Group at Navigational Systems under age 38." (You are 33 but Joe is only 30);
- 2) If a promotion came along, "You'd probably both know, a year or so ahead, and could plan for it."
- 3) "Don't worry about it!"

You in fact are angriest about the question of timing. A year would have been a good period to continue work on your present research problem and it was what you'd been planning on, under the present work plan. You would love to be able to continue your computer simulations, rework the theoretical predictions and iterate back and forth between theory and simulation for a year. At the very least, you need six weeks to conclude your present work and write it up. (Each complete simulation and analysis takes about a month, and you'd like two weeks to write, so six weeks is an absolute minimum.)

You would be outraged to have to turn your work over to someone else immediately, just at the point when you have nearly finished getting the whole thing up and running for the first time. In fact,....ten weeks would be enormously better, so you could test your work twice. And each month after that means a lot to you, since each month means another run.

JOSEPHINE MCNAIR (Navigational Systems)

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Joe's view is—why not just leave Navigational Systems? Each of you could get another job tomorrow. Promotions will come wherever he goes. He loves you. He thinks you've both been treated like objects. The heck with it. He says, get as much time as you can. If it's long enough, then good, he'll take the promotion. If the move has to be "tomorrow," you'll both quit, giving six weeks notice. In fact, if anything makes you mad, Joe will refuse the promotion; you will finish up in six weeks and you'll both go anyway, to a company that treats you better. Six weeks would be an ok turn-around time for him, too, he says.

Joe's points made you feel good. On the other hand you know he'd love this promotion at age 30 (!) He's loved the work, he's fascinated by research administration, he likes writing proposals and he is really interested in air traffic control. You want to be as loyal to him as he is to you. Neither of you wishes to leave Navigational Systems for any other reason.

But on the other hand, Hardel has been an absolute jerk. Why hadn't Terry talked with you months ago? Why hadn't Terry called you both in?

But still, there's Joe, who can't wait to take on a bigger challenge. How can you stand in his way?...

How long will Hardel give you?

**Josephine: Please stay in role. Do not agree with any plan you personally would not agree to.**

## **NAVIGATIONAL SYSTEMS**

### **POLICY ON EMPLOYMENT OF MEMBERS OF THE SAME FAMILY**

The policy of Navigational Systems is to base employment and promotions on qualifications and performance. In keeping with this policy, members of the same family are eligible for employment at Navigational Systems. Where members of the same family are recommended to work for the same supervisor, the arrangement must be approved in advance by the relevant Division Chief. However in the above situations, a supervisor-employee relationship shall not prevail, at the time of employment or thereafter, nor shall one member of the family relationship assume for the other the role of advocate or judge with respect to conditions of employment, salary or promotion.

It should be clear that the reasons underlying such a restriction on employment, defined as applying to members of the same family, shall apply with equal validity to those whose living arrangements approximate family relationships.

While general responsibility for assuring adherence to these policies must rest with supervisors and managers, a particular responsibility for sensitivity to the potential for conflicts of interest falls on those whose family or personal relationships may give rise to them.

### **NEGOTIATING WITH AN AGGRESSIVE COMPETITIVE NEGOTIATOR (ACN)**

- Control your style to *be formal and respectful*. Maintain an attitude of very polite doubt. Never meet hostility with hostility except in physical self-protection. Remember that perceived humiliation is the parent of destructive behavior. A generally quiet mode will make any interruptions you do decide to make all the more telling.
- *Inject integrative elements*. Acknowledge some of the Other's interests. Name areas of joint gain. Sit side by side and address together some representation of The Problem, rather than "confronting each other" across the table.
- *Control the pace*. Repeat the Other's statements to gain time to think. Restructure deadlines. Keep reasonable control of airtime when it is your turn.
- *Ask detailed and specific questions*. Start with the Other's earliest points or basic assumptions and do not get pulled too early into talking about the Other's final points. If you are unconvinced about something keep asking "Why?" or "Why Not?"
- *Name the problems you have with the Other's point of view or acts, but gently*. Say, "I might be wrong, but...". Demur—or say you may demur: "What you say could be correct, but some people might raise the following problem..."
- *Use interruptions* to deal with tirades and unprofessional behavior. If the Other makes ascending demands that assume a drum-beat quality, go back to the first demand and temporarily ignore later ones. If there is name-calling or rudeness, spill a water glass, or drop your briefcase on the table or bang the table loudly—once. If things are intolerable, refuse to negotiate until a later time. You can save face while doing this by adjourning "until we both have the facts (or authorization) we need."
- *If the Other baldly commits to an unacceptable "position,"* consider naming the use of commitment as a source of power. Alternatively, simply ignore the Other's statement as if this "commitment" had never been made. If you have to finally undo a commitment to an unacceptable position, make an appeal to new facts or circumstances or a higher authority. Work very hard to save face for both the Other and for yourself.
- *Be absolutely straight and truthful* about the facts. And—even under great pressure—be fair and trustworthy and scrupulously respectful yourself.
- Make yourself *believe in the possibility of a good solution* up until the moment that you finally break off all contact. Many people have been misled to think it is not possible, in dealing with an ACN to find a good solution. It is easy thereby to make the mistake of falling into avoidance or fights, or inefficient solutions.
- *Be prepared for the possibility* that an ACN will suddenly become reasonable, pleasant and respectful.

# NOTES ON DEALING WITH AN AGGRESSIVE COMPETITIVE NEGOTIATOR

(Especially If You Are Cooperative)<sup>1</sup>

1994 Professor Mary Rowe— Cambridge, MA 02139

## A) Plan and Prepare<sup>2</sup>

**Prepare to protect your interests:** Do the standard analysis of the interests, options and sources of power for each actor. But in the special case of negotiating with an ACN, spend extra time on your own interests, options and sources of power. Remember that thorough-going cooperatives may unthinkingly try to maintain relationships even at high cost. *If you know yourself to be very sensitive to relationships, think through what you will and will not give up for the sake of “relationship.”* If you know that the Other is aggressive and competitive, think through your interests and resolve not to give in on important tangible interests without at least allowing yourself some period of time to reflect. There are many tactics that will help you do this. Build in another person you will have to go back to, for confirmation of any proposals. Resolve that you will monitor yourself for any inner voice that says “O is getting angry,” and prepare to deal with your discomfort about O’s anger. Mentally practice how to say, “I will have to get back to you later.” Catch yourself if you imagine yourself inappropriately explaining or apologizing or backing off or complaining. Be prepared for O to be hostile or to make hostile statements. Look as well for the possibility that O might be very sweet just before making egregious demands.

Prepare emotionally and logistically, to endure, if you are forced into it, a ritual of testing and intimidation and of slow, penny-by-penny bargaining by O — *prepare to resist and move slowly all the way* — if that finally proves to be the only option that is available. Think through carefully how you might appear to O — for example if you make a unilateral concession you may immediately be perceived as weak and vulnerable. Go in with your facts and points all written. Prepare to write down everything that O says — and prepare to maintain your doubts about O’s facts until you have checked them. *Do not assume that O’s demands are good faith demands.* Remind yourself explicitly about the tactics that

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<sup>1</sup>These notes owe much to Professor Gerald Williams of Provo, Utah, and to Professor Robert McKersie of MIT.

<sup>2</sup>If you somehow find yourself in an important negotiation with an aggressive competitive negotiator and you are not prepared, try to do whatever you have to do to make time to prepare.

characterize distributive strategy, and *look* for them — prepare to look for distributive tactics, look for them while you are negotiating and review each round of negotiations afterwards with this analysis in mind.

Prepare a good BATNA. *It is likely that no other source of power in dealing with an ACN will mean as much to you as a good fall-back position.*

**Prepare to negotiate the negotiation:** As you prepare, try hard to think out ahead of time what principles you would like to negotiate first, on the basis of which you might resolve any outstanding disputes. Even though you will be negotiating with an ACN, if you wish to give it a try, prepare to try for an integrative or mixed motive strategy. Prepare to discuss with O — before the negotiation starts — the type of negotiation the two of you prefer. Present a plan to brainstorm options, to appeal to principle, to talk about interests rather than positions. Prepare to “name” O’s ACN style and to ask O to be more integrative. Prepare to discuss — and appeal to the possibility of — a long-term relationship. Illustrate what the relationship might mean to both of you. Do not give up easily on introducing integrative elements like enlarging the pie. But — as above — be prepared for the possibility that this will not work out easily.

**Prepare for when you might refuse to negotiate:** It may help to prepare to try to distinguish ACN’s from negotiators who are just insufferably obnoxious. Remember that people who are truly insufferably obnoxious are almost always unprepared<sup>3</sup>. *So — as always — you must yourself first prepare on the facts with great care. Do the standard analysis of interests, options, sources of power for each actor.* Prepare what you can imagine of O’s probable strategy. If you are very well prepared and detect an O who is obnoxious and unprepared — then do not try to negotiate immediately. Just keep the lines of communication open until O is ready to deal — politely, continually, make it clear that you will be ready when O is ready. (Once in a while with an O like this, you can in effect do the preparation for both sides by offering facts and figures on which to base the negotiation. Moreover you may wish to work hard on this possibility since if it works it will be your figures and facts that set the stage).

If you think that an ACN may not negotiate in good faith — prepare how you will decide about walking away. If you think you may be personally threatened or that an ACN may seriously attempt to humiliate you — prepare how you will decide about walking away and how you will actually do it.

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<sup>3</sup> This delightful concept comes from Professor Gerald Williams.

## **B) Negotiating with an ACN**

Be reasonably formal and respectful — not cold — but respectful.

Name at least some of O's true interests as you understand them and acknowledge them.

If possible sit side by side, together addressing some representation of The Problem — on paper on the table in front of both of you — “How can we work together to find a solution to this problem?”

If possible start first by naming any obviously reasonable areas of joint gains.

Until the moment you stop negotiating, make yourself believe in the possibility of a good solution — many people have been misled to think it is not possible, in dealing with an ACN to find a good solution. It is easy thereby to make the mistake of falling into avoidance or fights or inefficient solutions.

Repeat O's statements back to O, to gain time to think and to slow things down. If your mind goes blank, repeat reflectively what O just said — pause — and put up your hand in a gentle “stop” mode.

Refuse deadlines or restructure deadlines in any way that you can.

Demur — or say you may demur — “What you say could be correct, but some people might raise the following problem...”

Ask factual questions — and keep gently probing about what lies behind opinions (ask for facts) and positions (ask for underlying interests). If you are unconvinced about something keep asking “Why?” or “Why not?”

Maintain an attitude of very polite doubt. Write down any purported facts that O gives you and verify or disaffirm them — “Of course you would expect me to be checking this out carefully on my own.”

Say “I might be wrong, but.....” — then name the problems you have with O's point of view or facts.

Keep reasonable control of the air time when it is your turn — “Please let me finish.” If necessary talk right through O's interrupting you. If necessary stand up.

Interrupt any ascending demands made by O, especially if they assume a drum-beat quality. Go back to the first demand, temporarily ignoring later ones, and address the first one. If there is name-calling or rudeness, interrupt it. (Spill a water glass. Drop your briefcase on the table or bang the table loudly — once). If O becomes extraordinarily unprofessional refuse to negotiate until a later time.



You can save face while doing this by adjourning “until we both have the facts (or authorization) we need.”

Never meet hostility with hostility except in physical self-protection. Remember that perceived humiliation is the parent of destructive behavior — no one needs an ACN who is seeking revenge.

If O’s behavior looks like a long detailed tirade, and you simply must keep on good terms with O at that moment, you could try saying absolutely nothing. Take careful notes with an alert, cool, interested demeanor — but do not nod or affirm. Then as soon as you can do so, ask detailed and specific questions — starting if possible with O’s earliest points or basic assumptions — and do not get pulled too early into talking about O’s final points.

Except when abruptly interrupting a tirade, you can try speaking very quietly and formally. Sit or stand in a quiet, peaceful, formal way. Some ACN’s will not be able to maintain a shouting demeanor if you are very quiet and serene. Moreover a generally quiet mode will make any interruptions you do decide to make all the more telling.

If you yourself need to threaten, use reverse (inverted) threats: “We would not want this discussion to come to the point where I would have to break it off, but...”

If O baldly commits to an unacceptable “position,” consider naming the use of commitment as a source of power. Politely explain the nature of the use of commitment — and repeat the substance of the commitment or threat — politely and reflectively, as if of course O might not wish actually to be taken seriously on this point.

Or, alternatively, you can simply and completely ignore O’s unacceptable position as if this “commitment” had never been made. If you do this, do not be pointed or uncivil. Just ignore the commitment.

If you finally do have to undo a commitment to an unacceptable position that you have made or that O has made, make an appeal to new facts or new laws, or changing circumstances or a new higher authority who now must be consulted — *work very hard in this situation to save face both for O and for yourself.*

Be absolutely straight and truthful about the facts — tell the truth even if it is not prudent to tell the whole truth. Be credible. Talk about fairness and respect and explicitly keep open the possibility of a long-term relationship. (Don’t say “trust me...”) And — even under great pressure — be fair and trustworthy and scrupulously respectful yourself — and worthy of a long-term relationship.

Be prepared for the possibility that an ACN will suddenly become reasonable, pleasant and respectful. An honorable and effective ACN does not necessarily always behave aggressively and may change behavior in a remarkable fashion after coming to respect and trust you.

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## **THE \$2 BARGAINING SIMULATION**

### **Secret Instructions**

This is zero-sum bargaining and you should get as much of the \$2 as you can, with any story you like.

However, you are a well-known public figure, with a reputation for fairness, decency and graciousness. Your reputation is extremely important to you and you should bear in mind that your colleague is likely to make public anything you say (and how you say it). So--do as well as you can, use any arguments or story you wish, but keep your reputation!

## SAFEKEEPING CORPORATION

You are Assistant Director for Administration of a research laboratory for Safekeeping Corporation, a medium-sized Federal contractor. An employee at Safekeeping came to see you, off the record. She was initially very much afraid to talk. Her story was that a lot of drugs were used at a party attended by many of the younger scientists from your laboratory complex. Not only was there a good deal of sharing of marijuana and cocaine; there was a lot of hilarious discussion of making illicit drugs in Safekeeping laboratories.

You are very concerned. Safekeeping has an explicit policy in the employee handbook about drugs—in fact, about drugs and alcohol, because it's important for safety reasons that laboratory employees work with a clear head. Second, you are in a very conservative area of the country, and poignantly aware of how the local citizenry feels about drugs. Third, there has been considerable interest from Congress in how Federal contractors run their businesses. Not the least of your problems, as you think about it, is the idea that a scientist abusing drugs may well be a safety hazard. You feel the company policy is absolutely correct.

After intensive discussions with counsel you decided on an undercover investigation. You hired an infiltrator—a young scientific worker whose purpose actually was to investigate the possibility of drug use. The report is back, six months later: eighteen names are on the list of recreational drug users (using marijuana and cocaine at parties on weekends). One person has actually been seen making amyl nitrite in the lab at night, both by your investigator and by the original informant.

You are absolutely appalled. Recruiting scientists of this rank—and getting them up to speed on a team—costs \$50-100K each. Your major concern, as a senior administrator, is to keep the laboratory working efficiently, and to keep contracts as close to schedule as possible.

You consider who knows about your knowing about this matter. At Safekeeping, there are very few people who know—your counsel, your boss, and the original informant, (who is both quite self-righteous and very afraid of retaliation by the people implicated as drug users). What should you do?

Prof. Mary P. Rowe

## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

This is zero-sum bargaining and you are to get as much of the \$2.00 as you possibly can. Please try really hard.

Here is your special instruction: pick an expectation of what you will try to get and stick to it if you can, but say as little as possible. If you can, try to get away with saying essentially nothing at all, except for the amount you want. You may listen courteously as much as you want but try as hard as you reasonably can not to talk. If you absolutely have to, make up a story to bolster your claim, but try to (if you can) not to talk at all except for stating an amount of money.

## **STRATEGO AERO – I** **(The Basic Case)**

Chris Harding, now 58, has been considered the best plant manager anywhere in the Stratego Aero Corporation. A genius at keeping production running on schedule, Chris has turned in an impressive performance, year after year, in Minnesota, in Missouri and in New Hampshire. Top management at Stratego Aero Corporation has hoped Chris would stay until age 65, and has decided to use Chris to train the plant managers of the next few years. With defense funding now super-competitive, Chris is a highly valued manager. Some months ago Harding was sent southwest to a new plant.

Sandy King is the up and coming assistant plant manager at this new plant in the southwest. Stratego Aero has been particularly pleased with Sandy, an African American who speaks excellent Spanish and who gets along well with a wide variety of Caucasians and people of color. Top management is happy to have a person of color in a position to grow swiftly into the top job, at a plant where well over half the incoming employees are minorities. Even more to the point, Sandy's technical skills are superb. Stratego's management is particularly hoping that Sandy will be a successful apprentice to Chris and take over the plant in a year or so. But all is not well.

Back at Corporate a call came in for Dana Idris, the division head. Dana was surprised to hear a very angry Sandy King upset at Chris Harding and talking of leaving. "I do not need this job," said Sandy. "But I wouldn't quit without giving you fair warning."

The problems, King reports, mainly concern Harding's manners and style. Harding was very unsupportive about observing the Martin Luther King Day holiday this last January. Sandy did not like Harding's disdain and was particularly hurt when Chris made a crack about how Sandy King probably just wanted a "King holiday." Chris is in fact often patronizing, and occasionally tells contemptuous stories about Latin Americans (especially Mexicans) and offensive jokes about Africans that relate to sexuality and AIDS, and worse. Chris also reacts publicly to current news in ways that offend people. For example there was a news item about a soft drinks company, where senior managers were taped making offensive remarks about African Americans and South-east Asians. As Sandy King heard the story, Chris Harding had been heard to say that the matter was "totally overblown," and the soft drinks company was "forced to knuckle under just because of undue pressure."

Chris also does not appear to wish to delegate responsibility, says Sandy, and even poohpoohs Sandy's superior technical expertise. Harding interrupts King in public meetings and fails to invite King to dinners with visitors from Corporate.

King reports many weeks of attempting to stay calm, be reasonable, and learn everything possible from this remarkably experienced superior. But Sandy hates the feeling of either being invisible or being treated as a not-too-able Equal Employment Opportunity statistic. Until recently Sandy thought things might improve when the two senior plant

managers got to know each other better. Sandy speculated that Chris had never had a black colleague and was just uneasy.

But yesterday Chris had blown it in public. Several Latino employees had come to the plant office concerned that equipment manufactured by Stratego was being sold to enclaves of extremists in Latin America, and perhaps in Africa and the Mid-East, via a European intermediary. Chris, in dealing with the question, ignored the central issue, according to Sandy.

Chris instead had focused on Stratego's economic importance to their own local city area in the US Southwest. Chris managed to imply that these minority employees would never have been able to find employment without Stratego's help. What was worse, Harding had sounded off on the subject of how Latin Americans were not really able to run their own countries. The Stratego employees were very angry. And Sandy has had it: Chris goes or Sandy goes.

Idris placed a call to Chris Harding. Chris saw it all quite differently. Sandy has potential, is learning the ropes as fast as might be expected, maybe seems a bit too sensitive on racial issues. For example, yesterday King missed an opportunity to show real leadership. "It's the kind of incident that makes one wonder how fast responsibility can be delegated to King," said Chris. Clearly it was a good chance for Sandy to have picked up the ball and shown some company loyalty, especially since it's obviously absurd that equipment like theirs would be sent illegally to other countries. And especially since the "trouble-making" employees were "King's own people or at least close to those people." If Dana is planning to call Sandy back, "perhaps Dana could put in a word for company loyalty and showing leadership" ...says Chris.

What should Idris do? Stratego really needs both of these people in today's competitive environment. Sandy is a find—technically outstanding, learning very fast. But Chris' long-term experience and superb past performance also cannot be duplicated.

## **STRATEGO AERO-I**

### **Secret Instructions**

Please—quietly—**by yourself**—decide on the probability that Sandy King will emerge with an outcome Sandy would have wanted. Please express this probability as a percent, where 100% equals certainty of a good outcome.

Each person in your group should—**without discussion**—write down his or her own estimate of the probability Sandy will get what Sandy wants. Each of you should decide for yourself what Sandy would have wanted as an outcome.

One person in your group should then average these probabilities, for a group average.

There may be wide variation among these estimates. Please—someone in the group—give the group average secretly to the instructor.



## STRATEGO AERO II (THE DIRECT APPROACH)

### Secret Instructions for Dana

You have decided to meet together with Sandy to talk about the possibility of Sandy's dealing directly with Chris.

1) Please make a written list of all the reasons why you think this is a good step for Sandy to take. Please first make your own list—as long a one as you can—then work together with any other Dana to see if you can add any other ideas.

2) Prepare for any concerns Sandy may have. You really want this to work. What are Sandy's interests? Sandy's rights? Sandy's sources of power?

You may make up any small facts you need to build a realistic case.

Please, throughout, think about how you would evaluate this Sandy as an employee?

The purpose of this exercise is for you to do your best to get Sandy to try the direct approach. You may walk Sandy through it, try convincing by logic, order Sandy to deal with Chris or try any other, realistic approach you think will work.

**Please try to get into the role and be a realistic Dana.**

## Instructor's Notes

### *Stratego Aero II-The Direct Approach*

There is of course no one "right way" to handle apparently "small" injustices such as those described in the Stratego case. But the Direct Approach is appropriate in many cultures, though by no means in all. I chose students for their parts as follows. I would ask for a show of hands for all those students who believe that in general people should try to handle their complaints of this kind directly. I would then (*counter-intuitively*) assign all these to the role of Sandy. Those that said that they think that supervisors should deal with problems like this are assigned then to the prescribed secret role for Dana-away from their natural predilections. The purpose is to illuminate to all that there is no one right way to act in such cases. Options must be explored. I would of course get the students assigned to each role to prepare together in class. This role play will of course also tie back directly to the PIE Little Paper exercise.

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## STRATEGO AERO II (THE DIRECT APPROACH)

### Secret Instructions for Sandy

Dana has asked you to meet together with Chris, and to deal directly with Chris, on the problems you raised about Chris' behavior.

1) Please make a written list of all the reasons why you think your meeting alone with Chris is not the right step, or might be a bad move for you and for the company. Please first make your own list. Be as comprehensive as you can. Then work together with any other Sandy to see if you both come up with further ideas.

2) Prepare for any arguments Dana may raise about why you *should* try dealing directly with Chris. What are Dana's interests? Dana's sources of power?

You may make up any small facts you need to build a realistic case.

Please, throughout, think about how you would evaluate this Dana as a supervisor?

For the purposes of this exercise, please be difficult to persuade. Please raise to Dana all the problems you've considered. This said, if in real life, you would finally be convinced by this Dana, then lay a plan with Dana about how to approach Chris. If in real life you would be offended by the approach of this Dana, or if you are really not convinced, then hold out, and refuse on whatever grounds you choose.

**Please try to get into the role and be a realistic Sandy.**

## **STRATEGO AERO III**

### **Mediation**

#### **General Instructions**

Dana Idris talked with a number of people in corporate headquarters and again with Sandy King and Chris Harding. As a result Dana took off for the new plant in the southwest to talk with Sandy and Chris together.

As you prepare for the mediation to come, please think about several questions:

- Will Dana be a "neutral" mediator? Do the readings on mediation and caucusing apply to managers as they act as third parties?
- What are the power dynamics here? What kinds of power, if any, does each person have? How should your character use his or her own power and how will your character estimate and react to the power of others?
- What kind of bargaining situation is this? What would your character like it to be?
- How should your character use the analytic tool set forth in Christopher Moore's chart on Conflicts and Possible Interventions?

You should prepare your character for the mediation, using the readings, the Moore chart, and all your negotiation skills. You will have 30-40 minutes for this mediation. Please be prepared at the end to present briefly what happened at your mediation. In this case you should go where your character leads in any realistic direction (short of violence!). You may, if you like, prepare together with any other student who has the same character; as always, please do not share your private instructions with anyone else.

### STRATEGO AERO III - CHRIS HARDING

Dana called back Chris to check if it would be helpful to come and meet together with Chris and Sandy. Chris had readily agreed. "Why not? We'll get a chance to go over our progress on production schedules. And you and I can talk with Sandy about protecting the company image when employees raise foolish problems."

Chris hung up, ruminating about safety issues, the Right to Know law, the production snafus successfully handled in a few short months. The whole plant was on schedule, an almost unbelievable achievement. A very important accomplishment for a defense contractor in a very competitive business environment.

About the only thing Chris hadn't gotten to was working with Sandy on taking over. Hard to do. Chris didn't know really how to begin. In fact, Chris was beginning to find it very difficult to talk with Sandy. Sandy was terrific technically but seemed to think that was all that was needed, and kept falling back on technical skills instead of learning how to manage. Touchy person, also. No sense of humor, always stiff, socialized only with blacks and Hispanics (who never invited Chris over on the weekend).

In fact Sandy, who came from around here, had never invited Chris anywhere. And look at this latest incident.. Why the hell hadn't Sandy come in directly with these problems instead of going over one's head to Corporate? End-running your boss....great behavior. It would take months to shape Sandy up. At least Chris would have Dana to help shape up Sandy with respect to protecting the company image. Sandy should protect the company image when employees complained.

Chris sat back wearily. Hopefully it would in fact not take too many months to get Sandy up to speed. It was damned lonely in this Southwestern town. Maybe it was time to think of retirement. What rewards were there in fact, for the long years of service and troubleshooting for the company?

Chris:

**(Stay in role; be your character;** use all the facts you have for the case; invent any other reasonable facts you need; go wherever your character takes you. Do not settle unless you really would settle if you were Chris.)

### STRATEGO AERO III - DANA IDRIS

Dana Idris went to talk with Stratego's top AA/EO manager, and with an old, long-term mentor in the top administration. Both of them knew both Dana and Chris. The conclusions of those meetings were:

- Stratego really needs both Sandy and Chris.
- Top management at Stratego genuinely cares about race relations, and Dana will be evaluated in part by the success of the new plant in the Southwest. ("You must show leadership here," "Lots of training programs are available.")
- There is no evidence at all that Stratego products are being sold illegally to any buyer.
- This is not a good time for any negative publicity about the company.

Dana called back, both to Sandy and Chris. Dana in fact had a long conversation with Sandy about options: "Would you in fact rather handle this directly, in person or on paper, with Chris?" Sandy thought quietly. "I now wish I had tried that. Maybe it could have worked, before Chris had that meeting with employees. Perhaps I could have written a note...Chris is such a prickly bastard and never listens...but a note might have worked before. But it's too late now."

Dana had also raised the idea of shuttle diplomacy; Dana could talk first with one and then the other. "I think I would rather be there," Sandy replied. "Besides, Chris never looks at me. You need to see this for yourself."

In the event, Chris also agreed to a three-way meeting. "Sure, come on down. I want to show you what's happening with production. And you and I can help Sandy understand about protecting the image of the company, when employees are complaining."

Dana then confirmed the meeting with Sandy. "Sandy, I want to tell you, I really care about making sure your environment is professional and productive. We are looking at succeeding with diversity in this new century; we should have put racism behind us; I'll do whatever I can to help. Moreover, I'm glad to tell you there is no evidence at all that Stratego products are being smuggled or sold illegally to any buyer. I was relieved to hear this....and I know you are. Oh, also, we need a chance to talk about the image of the company with respect to talking with employees"...

Dana: **Stay with your role; be your character** wherever it leads you; make up realistic facts as you need them if you wish to; however use all the data in the case.

### STRATEGO AERO III- SANDY KING

Dana Idris had just called to set up a three-way meeting: Dana, Chris, and Sandy. Sandy felt a bit relieved. Dana expressed support, spoke firmly about the need for a professional environment free of racism, and said they would take up the subject of protecting the company image. Sandy was very relieved that Dana understood the image problem. People of color throughout the plant were expressing serious tension about racism.

Idris had investigated the smuggling question and had told Sandy that there was no evidence that any Stratego equipment was being sold illegally. Sandy still privately wasn't so sure. "Who really knows? Who can you believe anyway?", thought Sandy. Besides, there was still the perception of some employees that Stratego products were being smuggled to extremists in other countries. The company had an image problem; this problem really needed to be addressed. "I wonder," thought Sandy, "what we can possibly do to sensitize people in this company to show how the black and Latino employees actually feel?"

Sandy still felt angry and tense. When would Chris leave, anyway; when could Sandy take over? As long as the boss went on talking as Chris had, the plant would always be a tinderbox. It was true, Chris was a genius at production schedules, but things were now in good shape; Sandy also felt on top of the problems. When would Chris go?

It was odd, this conversation with Dana. Dana had asked Sandy why Sandy had not gone back directly to Chris. Was it that Dana just didn't want to be bothered? Was Dana blaming the victim? Or was it a compliment? Sandy could almost hear again what Dana had said: "You know, I think you are first-rate, and I believe you can in fact handle this effectively, if you decide you would rather do that." Would that have worked? Maybe not. And in any case the decision was made—Dana was coming. Sandy felt, on balance, it was just as well Dana was coming. Chris never listened to anyone, never asked technical advice, never met your eyes. And the jokes...just thinking about it infuriated Sandy all over again.

Sandy made two calls before Dana came, checking out with friends the possibility of getting another job. One had a lead that could be very interesting. In fact it was a relief just to imagine getting out.... "Who needs it?" thought Sandy exhaustedly.

Sandy:

**(Stay within your role;** use all the data you've been given on this case; invent any other reasonable data you need; be your character wherever it leads you. Do not "settle" unless you would really settle if you were Sandy.)

## STRATEGO AERO

### Instructor's Notes

**Stratego Aero is intended to illuminate a number of different points in negotiation.**

Basic issues that you may wish to explore with your students, include these questions:

-In workplace disputes, which actor is generally held most responsible by the employer? (Students often underestimate the fact that the company may just blame Dana if things go wrong.)

-Should interpersonal disputes in the workplace be settled on the basis of the interests of the parties, or their rights, or their relative power? Should the solution be an integrative solution or distributive? If your answer differs depending on the subject matter, or on a case by case basis, explain briefly why you come to different answers in different situations.

-Who should be allowed to decide how a given dispute or complaint should be handled? Should the complainant be able to choose how the issue will be handled? Would your decision on this matter change after a first option has tried and is perceived to fail?

-How do your answers above affect the optimal design of the dispute resolution system for this company? For example, do you believe that a complainant should be *required* to deal first with the apparent offender in all cases, before moving on to a later step in a complaint process? In fact, should a complaint procedure have any required, sequential steps? If not, why not?

-Do you believe that people of different races (genders, nationalities, cultures, religions, etc.) generally negotiate differently than each other? Are they treated differently, on the average? Do they perceive things differently on the average? Should this be a matter taken into account by negotiators — and if so, how? One can get to these questions easily by noting how the students deal with assigning gender (and race) to Sandy, Dana and Chris.

-How would you define "success" at dealing with this case? If you are Sandy? Dana? Chris? the CEO of the company? Another employee at the company?

-People differ widely in how they see these cases.

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**The case may be assigned as homework** before it is to be discussed. Encourage or assign students to talk about the case together, before class, and ask them, if possible, also to discuss the case with a person of different gender/ethnic background.

In the class: divide your students into groups of three to eight and, if possible, provide them each with a blackboard or flip chart. Ask them to discuss and write their answers to these questions in the basic case: Whose interests are at stake? What are those interests?



What are the options open to each actor? (The class should assume Chris knows the material of the case.) (Note there will also be a Secret Instruction.)

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**The use of the Secret Instructions—before the small group work is finished.**

Your small group of three to eight will probably need to talk for 30+ minutes. When you sense they are nearly done with the flip chart tasks, go privately to each little group. Quietly (“ssh-h”) hand each student the Secret Instruction. Get one in each group to give you (secretly) the range of estimates and the group average. The students will not know you have given everyone (in each group) the same Secret Instruction.

At the end of the class announce the group averages, preferably on the board. There will likely be differences among all Sandy groups, all Danas, all Chris’. And there will certainly be wide differences intra-group.

Illuminate the point that people’s views of such cases differ very widely. If an employer wants a common view of such cases, there must be a lot of training.

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**In the ensuing discussion, with the class back together, discuss the importance of options for each actor** — beginning with the options for Sandy. Especially with respect to Sandy it is important to examine a wide range of options open to this person. Depending on the policies of the employer, the options for Sandy are likely to be both constructive and unconstructive for the employer, for example:

Do nothing more, that is, just “hunker down,” if Dana essentially does nothing, and try to outlast Chris.

Ask for a transfer.

Find a confidential complaint-handler like an ombudsperson, to talk over and develop options, and maybe to role-play several options.

Try for at least several months to get to know Chris better, without mentioning any of the personal issues. Check around the company or around the town — see if Chris has any close colleagues who might give useful advice.

Deal alone, directly with Chris, about some or all of the issues — in person or by writing a note.

Talk directly with Chris, possibly bringing along another employee or colleague.

Get Dana, or a mentor within the company, or an ombudsperson, or someone else to act as a shuttle diplomat.

Ask for formal mediation (some companies and some ombuds offices offer this option).

Go to the company EEO office, and see what options they offer.

Bring a formal written complaint, in whatever fashion the company permits, alone or together with other employees.

Ask for a generic option, like a company training program on diversity, or posters on subtle discrimination.

Encourage other employees to act to send anonymous complaints to the CEO, call employee meetings at lunchtime, put up posters, etc.

Lose commitment to the company, and even act out in some fashion: go slow, work to rule, engage in petty sabotage, gossip, etc.

Quit. Go to a competitor. Take valuable ideas and employees to a competitor.

Bring an agency complaint. Sue.

Go public — Appeal to a local newspaper, a local congressperson, etc. Go on a local radio program. Testify to Congress. Write a thinly-veiled short story for the New Yorker.

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**Together with the class discuss the issue of choosing an option** based on interests, rights, or power — or on some mix of these. Label each of the options open to each actor as to whether they are basically interest-based, or rights-based, or power-based. First pursue this exercise for each of the major actors and then examine the probable effects of various negotiation options on each of the other actors.

Finally, ask each student to tell (or write a paragraph) about how they would think the case ideally should be settled, if they were Sandy? or Chris? or Dana? or the CEO? Which options above are most cost effective? How would a company get this to happen?

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## STRATEGO AERO IV

### Adjudication

Dana Idris went to talk with corporate AA/EO and the general counsel, and with several long-term colleagues in senior management. Their universal advice was that the situation described by Sandy King was intolerable. Dana summarized the conversations in a few quick notes:

- Stratego's commitment to equal opportunity requires immediate, effective management action. If Sandy King has outlined the situation accurately, it must end immediately.
- It's important to the company to have no negative publicity about race, especially right now.
- Dana will be held personally to account if things don't go well.

What will you do first? Please plan your strategy and tactics, as Dana. What are the interests of each of the actors? How will Chris and Sandy each feel about your proposed next actions?

In planning your strategy you may use anything you have learned about these people and this company during the mediation. But you should not assume that any mediation has take place. This adjudication of the matter assumes that Dana just received Sandy's complaint, went to seek advice, and has now decided to handle things directly as an "arbitrator."

Prof. Mary P. Rowe

**THE \$2 BARGAINING SIMULATION****Secret Instructions**

This is zero-sum bargaining and you should get as much of the \$2 as you can, with any story you like.

However, your colleague is quite likely to be wearing a hidden tape recorder, and may be a journalist. Your colleague may be working for a newspaper or may be working for "60 Minutes." (Please be very careful that you would feel comfortable seeing your story in the Washington Post or on television.)

## TELEMACHUS TECHNOLOGY A NEGOTIATION EXERCISE

George P. Maxe and Ellen J. Waxman  
Sloan School of Management, MIT  
December 1994

### SECRET INSTRUCTIONS FOR SHATAYA DAVIS - THE MENTEE

Today, Wednesday, March 14th, at about 3 p.m., you received an E-mail from Meese titled "**Practice Presentation Meeting**". The message read as follows:

**Got Jack's message that you are going to take a lead role in the March 21st presentation to Boston First. This is a significant opportunity and I want to make sure you are fully prepped. I told Jack I've blocked out Fri. morning (the 16th) from 9-11 in the conference room next to my office for a rehearsal. Boston First is no Citibank, but they're moving up on the outside and I'd love to get them in our stable. Boston is one stuffy market - plan to wear your most Brooks Brothersish suit and no braids that day! Looking forward to getting you ready!**

This memo is the first you've heard of the presentation to Boston First and that you are to play a part. You immediately call Youngblood to see what is going on. Instead of Jack, or his secretary - Lucy Fine, another secretary answers the phone. You forgot that Jack has been out of the office on that "nightmare trip" since last Thursday. She tells you the phones are forwarded to her because Lucy has also been out since Thursday due to a death in the family. She has no idea what you are talking about, but she offers to look on Jack's and Lucy's desks and see if there is any information about this meeting. Almost immediately, she calls you back. Jack left a sticky note attached to a handwritten memo on Lucy's desk. She reads you the message:

***3/7 Lucy: Computer went down for maintenance at midnight. Couldn't get this message to Shataya. Please send her this E-mail first thing in the a.m. Thx. J.***

Then she read the memo:

**Re: Presentation to Boston First Financial Investment Corp. I would like to include you as part of the team making our presentation to Boston First on Wednesday, March 21st. Your part is to talk about the benefits of a networked, client-server system over a mainframe system, technology issues regarding the**

**banking industry, some of the technology requirements peculiar to banking, and regulations, including international and European regulations, about information exchange. The meeting will be at 10:00 a.m. at the client's Boston headquarters. Start getting ready this week and we'll talk as soon as I get back next Friday, March 16.**

You are absolutely panicked! On the one hand, you want to make presentations to clients; you are glad Jack finally included you. You can see that the way to move up around here is by showing that you manage client accounts and bring in new business. You were a little uneasy when you noticed that the two men who started with you in your department were beginning to go out with teams to participate in making client proposals. You wondered why Jack wasn't assigning such opportunities to you. It's true that Jack has always put you on good projects as far as the technical challenges go. But so far he hasn't created any opportunities to get to know clients.

But how are you going to prepare for this major presentation? Today is the 14th. You should have known about this assignment for a week already and now you find out Wednesday afternoon that you are supposed to make a trial presentation in front of Bill Meese on Friday morning. To top it all off, you also have another urgent project — the deadline for getting out the San Francisco Federal Project is tomorrow and you are committed to attending final run-through meetings that will take up the entire day tomorrow. When are you going to prepare for Friday?

Isn't it typical that somehow you didn't get the message about this presentation until it's too late to prepare? Would this kind of mix-up ever happen to Charlie or Ben, your two colleagues?

You are not worried about carrying off a presentation if you've had time to prepare for the subject matter. Growing up in Oakland, you were Captain of the State Champion City High School debate team both your junior and senior years. In addition, you participate in the weekly discussion group at your church. That group is very active and you've made many speeches both at church functions and to community groups. You know you are a good speaker, although no one here at Telemachus knows about your speaking abilities. Maybe that's why you haven't been asked to get involved in presentations, and Charlie and Ben have? Typical, probably neither of the men have half the debating or speaking experience you do, but because they're white men, everyone just assumes they'll do a good job.

And what's this bit about Toastmasters? Meese never stopped talking long enough during that meeting with him for you to tell him you had some speaking experience. He seemed to be there to tell you exactly what he wanted you to do. Anyway, you have heard Toastmasters is a good organization and Meese is a very successful speaker, so you started going to their monthly meetings when Meese suggested it. The thing is, the meetings are on the same day that your church discussion group meets and while there are a few other African-Americans who belong to Toastmasters, you are the only woman. They don't talk much about anything that

interests you. Is it really worth giving up one of your weekly discussion group meetings where at least you could be among friends?

You don't know much about Boston First except that they do a lot of business in European markets. So far, all your experience has been with Western financial institutions whose international business is concentrated more in Asian markets. How are you going to learn more about this company and the different factors and regulations that might apply to doing business in Europe? You have been doing a fine job here since you came and everyone at home is proud of your success. Is it fair to throw you in to make a presentation on a subject where you are ill-informed? Will it derail your career?

Also, just exactly what is your role going to be in this presentation? Jack's memo mentions just the technical issues, but Meese's makes it sound like you're giving the whole thing. How in the world do you find out what you are supposed to be doing before Friday? It would be so nice right now to have an African-American woman as a mentor! You certainly can't call up Meese and ask him what's going on, and Jack's out of town. Just what is your mentor supposed to be doing for you anyway?

Finally, that part in the memo about your hair is just the last straw. You've been wearing your hair this way since high school and it is an important statement about your identity. Besides, you think it looks pretty damn professional. You knew some people would have a hard time with it, so you made a point of not changing to a more conservative Caucasian style while you were interviewing for jobs like some people you knew. You wore your hair exactly as you intended to wear it on the job. You recognized that it meant that some people wouldn't be receptive to you and you're pretty sure you missed out on some job opportunities because of it, but you wanted to work somewhere that would accept you for who you are. Some of your friends told you that it was unrealistic to think you'd ever be accepted. Maybe they were right?

What is this line about Boston being a stuffy place? If that bank can't accept African-Americans as professionals, regardless of their hairstyles, why should Telemachus be doing business with them? Maybe it is impossible to keep your identity and succeed in the banking world.

Anyway, even if you were going to follow Meese's orders and change your hairstyle, it's not that easy. Does he think you can just stand in front of the mirror, unbraid your hair and comb it out? You certainly don't want to do it by yourself and it will take hours.

Obviously, you have a lot on your mind as Friday morning approaches.

**YOUR ROLE IS TO ATTEND FRIDAY'S PREPARATION SESSION. PLEASE STAY IN CHARACTER THROUGHOUT THE MEETING.**

## TELEMACHUS TECHNOLOGY A DIVERSITY EXERCISE FOR MENTORS, MANAGERS AND MENTEES

George P. Maxe and Ellen J. Waxman  
Sloan School of Management, MIT  
December 1994

### FACILITATOR'S INSTRUCTIONS

Telemachus Technology is a diversity exercise for mentors, managers and mentees designed to address issues in diversity, negotiation and formalized mentorship programs. Each role provides the person playing it with a difficult situation to navigate. Both the exercise and your discussion following it are opportune times for participants to reflect about the issues - especially those related to diversity - they may face as mentors, managers and mentees. Some of the issues are especially sensitive, so handle your discussion with care.

### MATERIALS

You should have five separate documents, including four sets of instructions, in order to properly administer this simulation. Check to see that you have:

- 1) General Instructions
- 2) Secret Instructions for Bill Meese - The Mentor
- 3) Secret Instructions for Jack Youngblood - The Mentee's Manager
- 4) Secret Instructions for Shataya Davis - The Mentee
- 5) Facilitator's Instructions

### STEPS

There are many ways that you can administer this exercise. Assuming the participants have time to prepare beforehand, we suggest these steps:

- 1) Divide the participants into three groups of equal size.
- 2) Hand out the General Instructions to all participants.
- 3) Hand out one set of Secret Instructions to each participant in each group. For example, designate one group as the mentors and give each participant the Secret Instructions for Bill Meese -- The Mentor.
- 4) Ask participants to prepare for their role.
- 5) Create triads by taking one participant from each group.
- 6) Give each triad approximately thirty minutes to complete the exercise.
- 7) Reconvene all of the participants for a debriefing of the exercise.
- 8) Refer to the issues listed below as needed.



## ISSUES

This exercise likely will surface a number of issues in diversity, negotiation and formalized mentorship programs. Thus, your debriefing could move in any number of directions. In general, we suggest that you allow participants to describe their feelings and thoughts as they played a role. Refer to this list of issues to guide your discussion in a particular direction, or to go more in-depth in a given area. Lastly, tread carefully - some of the issues may strike a very emotional chord for some participants. In each of the following sections, you will find the issues that we think the exercise highlights.

### Diversity

- 1) Individual identity is central to the topic of diversity.
- 2) The reason(s) a company embraces diversity programs impact their effectiveness.
- 3) Diversity affects everyone's role in an organization.
- 4) The greater the diversity, the greater the chance for misunderstanding.
- 5) Miscommunication is often the origin of misunderstandings.

### Negotiation

- 1) Preparation is crucial.
- 2) A negotiating party's issues and interests are not always known beforehand.
- 3) Various sources of power, such as legitimate authority and commitment, are available to each actor.
- 4) Integrative solutions require the sharing of information that may take some time and a reasonable level of trust for the parties to feel comfortable revealing.
- 5) No party has complete information, but the one with the most complete information will often be at the greatest advantage.

### Formalized Mentorship Programs

- 1) The "matching process," if any, of mentors and mentees is important to the success of the relationship.
- 2) All participants need training to understand their roles.
- 3) Mentors and mentees should commit to an agreed upon understanding of the relationship.
- 4) Mentors need to be careful how they involve themselves in the relationship between the mentee and her/his immediate supervisor.
- 5) Ideally, mentees should drive the skills development process, not the mentor.

## SUPPLEMENTARY READING

If you are in search of any additional information on diversity, negotiation and/or formalized mentorship programs, we recommend the following reading materials:

Kram, Kathy, *Mentoring at Work: Developmental Relationships in Organizational Life*, University Press of America, Lanham, Maryland, 1988.

Lewicki, Roy J., and Litterer, Joseph A., *Negotiation*, Irwin, Homewood, Illinois, 1994.

Nelson, Jill, *Volunteer Slavery, My Authentic Negro Experience*, Penguin Books, N.Y., N.Y., 1994.

Thomas, David A., "Racial Dynamics in Cross-race Developmental Relationships," *Administrative Science Quarterly*, 1993, 38, pp. 169-194.

WWW.BSSVE.IN

## TELEMACHUS TECHNOLOGY A NEGOTIATION EXERCISE

George P. Maxe and Ellen J. Waxman  
Sloan School of Management, MIT  
December 1994

### SECRET INSTRUCTIONS FOR BILL MEESE - THE MENTOR

You are glad that Jack thought of Davis for the presentation in Boston on March 21st. It's important to promote minorities; it just makes good sense in this day and age. Besides, she's a "two-fer" (an African-American and a woman). It would be great to see Davis develop into a success story and, of course, it's always better to train your own talent internally than hire from the outside. Jack and some of his senior consultants think she's got potential; she's got the technical smarts, but she needs to develop marketing skills. You remember her call-back interview with you when she impressed you as someone who could make it. This is a pretty significant presentation to start her out with, but Jack will be there and he can step in as the situation warrants. He may be young, but he is a highly capable manager and is very quick on his feet. (He reminds you a little of yourself as an up-and-coming young executive.) You like the way he moved over to your department and established himself there. His people seem to respect him.

You have been a little uneasy about what you're supposed to be doing in this mentorship program. You agreed to participate when Joe asked you because it was his idea and you know he wants his people involved to make sure it succeeds. But the Manual doesn't give much guidance about what you're supposed to do after you come up with the skills development plan. It's too "touchy-feely". The thought of Tricia Solomon or anyone in Human Resources drafting a mentorship program is something of a joke anyway; what does she know about mentorship (or anything else, for that matter)? How is this any different from what you've always done to help young people succeed? Aren't the Director of Sales and Marketing and half a dozen senior consultants and managers your mentees? Not to mention all the executives at the bank whom you helped get their start? How is this "formal" program different? Of course, you've never had a female mentee and you know an important part of this program is to help minorities get promoted.

Your daughter was bemused when you told her about your assigned mentee. She was home this weekend visiting from college and, as always, asked whether women were "finally making any strides at Telemachus." Her first response was to say that assigning you an African-American female mentee was like putting the Pope in charge of promoting women priests. Then, she gave you a lecture: "All right, Dad. This is your chance to move out of the dark ages. Don't give her your standard lecture on success. Listen to her and find out what she has to say." You really don't think you're as Neanderthal as your daughter makes you out to be. Her parting words - "I'll be interested to see what you've learned when I come home this summer."

Davis has called you off and on without connecting. You probably should have gotten back to her sooner, but you're so busy; it's hard to make time and it's hard to

know exactly what you're supposed to do. It's not as if you have time to do a lot of hand-holding these days.

Then you received Jack's E-mail dated Wednesday, March 7th informing you that he was going to include Davis on the presentation team in Boston on March 21st. That memo gave you the idea of scheduling a dress rehearsal so that you could act like a mentor. As soon as you thought of the idea (on March 14th), you shot a quick message to Jack that simply told him the time, the place and the purpose. Then you sent Shataya the following E-mail:

**Got Jack's message that you are going to take a lead role in the March 21<sup>st</sup> presentation to Boston First . This is a significant opportunity and I want to make sure you are fully prepped. I told Jack I've blocked out Fri. morning (the 16<sup>th</sup>) from 9-11 in the conference room next to my office for a rehearsal. Boston First is no Citibank, but they're moving up on the outside and I'd love to get them in our stable. Boston is one stuffy market - plan to wear your most Brooks Brothersish suit and no braids that day! Looking forward to getting you ready!**

You're happy to give Shataya pointers on her performance. That is something tangible that you know how to do. Besides, you really want to help her to do a good job. You were the one who pushed to let her have a role. You just hope she's got her act together so you can finish by 11 a.m. You've got lots of things to do on Friday.

Maybe, you're old-fashioned, but one thing is clear if she wants to get anywhere. She's got to do something about that hair. It makes you a little uneasy because that's not something you should have to tell her. It might be okay for San Francisco, but clients on the East Coast, and especially Boston, just aren't going to take her seriously. And what impression does it convey about Telemachus?

Well, she seems serious enough so that shouldn't be a problem. Hopefully, she will be fully prepared to discuss the business of Telemachus, who does what, the kinds of projects we get involved in, some figures as to sales volumes and our understanding of the business interests of Boston First Financial Investment. You prepare to support her the same way you prepare to give your own presentations: you print out two copies of your usual nine point checklist of the agenda (with notes tailored for this account) and items that should be addressed. (See Attachment.) Now, you are all set to go into Friday's meeting.

**YOUR ROLE IS TO PARTICIPATE IN FRIDAY'S PREPARATION SESSION.  
PLEASE STAY IN CHARACTER THROUGHOUT THE MEETING.**

**PRESENTATION CHECKLIST FOR BOSTON FIRST (MEESE COPY)**

1. Introduction:  
Brief history of Telemachus  
(Pull up computer file that details company history, structure, background on key people, philosophy, sales volume, representative client list, etc.)
2. Description of Agenda and Process  
Identify topics to be addressed; invite client to add to or delete from agenda; State that Q&A is welcome throughout or at end, depending on their preference; Leave time to brainstorm next steps and action items
3. Presentation Materials  
Have slides in order ahead of time on company format  
(Pull up file with standard format for slides)
4. Demeanor  
Pleasant, confident, knowledgeable, professional, inquisitive, lots of listening, responsive to questions
5. Familiarity with this Account  
(Use the data that Jim O'Brien put together on the bank).
6. Industry Data  
(Get Jim to send over those recent articles on current issues in banking, international and European regulations; laws about information exchange; ISO 9000- the European quality standard that the bank is trying to follow throughout its business, which includes IT)
7. Current Hardware and software specifications for the bank's network (that info is all in Jim's memo).
8. Requirements for the bank's new information system, incl. documentation, new hardware, integration to new software, and user requirements (again, Jim's memo covers all this)
9. Training for Bank Employees on New System  
Pull up current memo on that.

**PRESENTATION CHECKLIST FOR BOSTON FIRST  
(COPY TO GIVE DAVIS)**

1. Introduction:  
Brief history of Telemachus  
(Pull up computer file that details company history, structure, background on key people, philosophy, sales volume, representative client list, etc.)
2. Description of Agenda and Process  
Identify topics to be addressed; invite client to add to or delete from agenda; State that Q&A is welcome throughout or at end, depending on their preference; Leave time to brainstorm next steps and action items
3. Presentation Materials  
Have slides in order ahead of time on company format  
(Pull up file with standard format for slides)
4. Demeanor  
Pleasant, confident, knowledgeable, professional, inquisitive, lots of listening, responsive to questions
5. Familiarity with this Account  
(Use the data that Jim O'Brien put together on the bank).
6. Industry Data  
(Get Jim to send over those recent articles on current issues in banking, international and European regulations; laws about information exchange; ISO-9000- the European quality standard that the bank is trying to follow throughout its business, which includes IT)
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8. Requirements for the bank's new information system, incl. documentation, new hardware, integration to new software, and user requirements (again, Jim's memo covers all this)
9. Training for Bank Employees on New System  
Pull up current memo on that.

## TELEMACHUS TECHNOLOGY A NEGOTIATION EXERCISE

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Sloan School of Management, MIT  
December 1994

### GENERAL INSTRUCTIONS

Telemachus Technology, Inc. specializes in customizing information technology (IT) systems for large financial institutions. Telemachus analyzes a company's IT requirements and recommends appropriate hardware and software. The company usually arranges for the purchase and installation of the new equipment and then trains company personnel in its use. Currently, many Telemachus clients are moving from a mainframe, or "dummy terminal," environment to networked, client-server systems. One service that many clients find invaluable is Telemachus' regular review of IT systems to incorporate technological advances to meet expanding business needs.

Since its inception in 1988, Telemachus has experienced swift expansion, with a 500% annual growth rate over that period. The company began in San Francisco and subsequently opened offices in Cambridge and Austin. As a result of this rapid growth, the company's management has expanded to four levels: President, Vice Presidents, Directors and Managers. Today, the firm employs a professional staff of approximately 250, with support and administrative staff of approximately the same numbers.

Two years ago, Telemachus began a concerted effort to diversify its staff. The company's professional staff is disproportionately white, with some Asian males, and there are few women or minorities (and no African-Americans) represented in the managerial ranks. An increasing number of Telemachus' largest clients are adopting specific affirmative action goals for suppliers and now require Telemachus to file annual reports detailing the number of women and minorities on their staffs. Women and minorities on client staffs request with increasing frequency that women or minority consultants be assigned to their accounts. Moreover, as a company that sells "state-of-the-art" business practices, Telemachus plans to promote multicultural teams to clients, rather than settling for a company image of merely being reactive to client requests.

Telemachus has implemented its recruitment goals by actively seeking qualified women and minorities in its college and university recruiting program. However, the company never formally addressed the question of specific programs to facilitate promotions of women and minority groups. Instead, training was informally provided by individual departments, as it had been since the company's inception.

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<sup>1</sup> The authors gratefully acknowledge the assistance of Mary Rowe and Robert McKersie.

## THE MENTORSHIP PROGRAM

During the past year, Joe Banks, the President of Telemachus, began to rethink the company's training methods in light of the rapid expansion. Reliance on *ad hoc* training by senior consultants and managers no longer guaranteed that new hires, and particularly minorities and women, received either general skills training or the range of experience required for promotion within the company. Six months ago, while at the Admiral's Club at O'Hare Airport, Joe ran into an old friend from business school who had become a noted management consultant. Joe had time to briefly share his concerns before his friend's flight departed. His friend told him that other major businesses addressed these same concerns through mentorship programs. Upon returning to San Francisco, Joe immediately instructed Tricia Solomon, the VP of Human Resources, to develop and implement such a program.

Solomon immediately created the Telemachus Mentorship Program which was implemented three months ago. The program applies to all new employees with less than three years experience and has a twofold purpose: 1) to create and maintain a systematic focus on training and, as an intrinsic byproduct of that goal, 2) to assist underrepresented minorities to develop skills needed for promotion. The program assigns a mentor to each mentee and provides a manual containing a checklist to follow. Together the mentor and mentee prepare a skills development plan which they pledge to follow over the next twelve months. Given that Banks had asked all his vice presidents and directors to participate as mentors, Solomon decided that whatever program she implemented would have to be presented in a manual "since it would not be feasible or practical to expect such a high level group of mentors to have or make the time for training meetings."

## THE MENTEE, MANAGER AND MENTOR

Shataya Davis is an African-American woman recruited by the company directly from U.C. Berkeley as a consultant in the Department of Training and Consulting Services. Davis impressed the Recruiting Committee with her concentration in C++ programming and client-server networking. This strong foundation of skills came as no surprise given that both her undergraduate and master's degrees were in computer science, the former awarded "with Honors". Davis is highly articulate and generally of quite fashionable professional appearance. Since her high school days, she has worn her long hair in cornrow braids and she occasionally wears professional versions of traditional African dress in the office.

Davis reports to Jack Youngblood, the Manager of Training and Consulting Services, who is Telemachus' youngest manager. He thinks that since her hire, Davis has shown great skill in hands-on design work. He thinks she is relatively inexperienced in interacting with clients at this point, though she shows great promise.

Youngblood reports to the Director of Training and Consulting Services, who in turn reports to Bill Meese, VP of Sales and Marketing. Youngblood is a white male who received an M.B.A. and a master's degree in computer science from UCLA. He was



hired directly after his graduation. Just six months ago, Youngblood was promoted to the manager's position from a senior consultant position in another department. Upon his promotion, he began to work more closely with Bill Meese. This manager's position is considered a "plum" assignment because Meese is Joe Banks' "right hand" man.

Meese is a white male in his early 50's who was recruited into the company at its inception. He gained most of his experience as an executive in a large New York financial institution. Meese attended Phillips Exeter Academy and then went on to earn an undergraduate degree in Economics from Princeton and an M.B.A. from Wharton. He is thought of as one of the top rainmakers at Telemachus, primarily due to his long-standing contacts within many leading financial institutions.

Telemachus had not developed its mentorship program at the time of Shataya Davis's hire. Three months ago at the program's inception, Tricia Solomon notified her of the implementation of a mentorship program and the assignment of Bill Meese as her mentor. Davis had met Meese briefly when she interviewed for the job, and had been at several meetings and social events where they spoke, but still does not know him well.

Since she started at Telemachus, Davis's work has been in the implementation of networked, client-server systems for West Coast clients. She feels that Youngblood has supplied excellent training in implementing new information technology systems. Davis has interacted with clients during the installation of new systems (particularly in working out glitches), but has not served as the principal client contact on any project. She has noticed that her two male counterparts, both of whom started when she did, have been asked to participate in several client presentations and meetings, while she has not.

## **CONTACTS UNDER THE MENTORSHIP PROGRAM**

When Davis and Meese were advised of their mentorship assignment, they also received copies of the Telemachus Mentorship Program Manual. The manual instructed them to meet and prepare a skills development plan. Meese's secretary called Davis, the day they received the information, to schedule a meeting for them to develop this plan. They met a week later in the conference room next door to Meese's office. Following the manual guidelines, they completed a skills development plan which they both agreed to implement over the next twelve months.

At the outset of the meeting, Meese informed her that he had "looked her up". He had reviewed her resume and talked to the Chair of the Hiring Committee about her references. He complimented her on their favorable comments. During the meeting, he talked about his philosophy on success. "One should be, first and foremost, from day one, a marketer." He told Davis that she needed to be prepared to seek client contact and to sell her services and expertise. He was generally impressed with her technical experience to date, but said that the company needed to provide her, and she needed to gain, experience in marketing the company's services, closing sales and interacting with clients as the firm's direct contact. He told her that he would begin by instructing Youngblood to be on the lookout for opportunities for her to participate on teams making business proposals to clients. He also suggested she might look into joining

Toastmaster's International to gain experience in making presentations. He said that when he got done working with her she would be "one hell of a marketer".

Immediately following the meeting, Meese E-mailed Youngblood and told him that he should plan to give Davis experience this year in winning accounts. He copied Davis on the E-mail. Youngblood, when he saw her later that day, told her that that would be one of his priorities for her in the future. Since receiving the E-mail, three months ago, Davis has had no contact from Meese until today. She called his office twice about four weeks ago, but he was in New York. She left voice mail messages which he never returned. She left another message two weeks ago and called again last week, but decided against leaving a fourth message.

## **THE CLIENT PRESENTATION**

Telemachus has been actively soliciting Boston First Financial Investment Corp., a rapidly expanding financial institution, which does business in the Northeast and in European markets. The head of the Cambridge office of Telemachus was able to arrange a meeting with representatives of Boston First in mid to late March at the company's headquarters in downtown Boston. Jack Youngblood was asked to lead a team from the San Francisco office. The head of the Cambridge office also plans to attend. After the meeting had been set, it occurred to Youngblood to include Davis as part of the presentation team, and inform Meese of this decision.

When he learned of Davis' participation, Meese decided that he could assist his mentee by critiquing a run-through of her presentation.

**YOUR ROLE WILL BE FURTHER EXPLAINED IN YOUR SECRET INSTRUCTIONS.**

## TELEMACHUS TECHNOLOGY A NEGOTIATION EXERCISE

George P. Maxe and Ellen J. Waxman  
Sloan School of Management, MIT  
December 1994

### SECRET INSTRUCTIONS FOR JACK YOUNGBLOOD - THE MANAGER

You are dead tired. It is March 16th. You have been on an exhausting trip that lasted over a week (since last Thursday, the 8th). Before you left, you were in the office until the wee hours on the 7th clearing your desk and leaving instructions for your staff. You sent a number of E-mails, but did not get one out to Shataya before the system went down for maintenance at midnight. So, you left your secretary, Lucy Fine, a handwritten memo for Shataya along with the following note that you scribbled on a sticky note:

***3/7 Lucy: Computer went down for maintenance at midnight. Couldn't get this message to Shataya. Please send her this E-mail first thing in the a.m. Thx. J.***

The E-mail read as follows:

**Re: Presentation to Boston First Financial Investment Corp. I would like to include you as part of the team making our presentation to Boston First on Wednesday, March 21st. Your part is to talk about the benefits of a networked, client-server system over a mainframe system, technology issues regarding the banking industry, some of the technology requirements peculiar to banking, and regulations, including international and European regulations, about information exchange. The meeting will be at 10:00 a.m. at the client's Boston headquarters. Start getting ready this week and we'll talk as soon as I get back next Friday, March 16.**

You've been in meetings from Coast to Coast since you left and you've had little time to communicate with colleagues except through E-mail. And to top it off, you learned only yesterday that Lucy's father died and she has also been gone since last Thursday. Who knows what will be waiting for you on your desk? Even so, you dragged yourself out of bed this morning, (Friday, March 16th), and over to the Fairmont for the 7:30 a.m. breakfast meeting of the San Francisco Bankers Association. The speaker was the head of the London office of Bank of America. You thought you might learn something useful about the business climate in Europe for next week's meeting in Boston. It was worth it. That was the most thoughtful and coherent speech you've heard

in a long time. You were incredibly impressed by the head of the Bank of America London office, a black woman. She was so well-informed. Also, she was absolutely elegant - she sure looked a lot like Shataya — distinctive dress, distinctive hair.

Speaking of Shataya, you hope she will be up to making this presentation next week. Sometimes she's so reserved in the office, you worry how she'll come across. Hopefully, she's been spending most of her time this week getting prepared. You hope she has Jim O'Brien's memo on the bank's present system, their requirements and current regulations. That memo has all the information she really needs for her presentation. You are concerned about letting her make this presentation to a significant client, but since you will be there and she is really just handling some of the technical issues you think it will be okay. (Of course, if you don't get the client, Joe Banks will be looking to you to know what went wrong, not to Shataya.)

You don't know what to think of the E-mail you received from Meese on Wednesday the 14th. He simply announced he had set up a dress rehearsal for Shataya's portion of the presentation today (Friday) from 9 to 11 in the conference room next to his office, and that you should plan to participate. You think a practice run for Shataya is a good idea, but isn't it just typical of Meese to set it up and order you to be there? It's just like the time when he ordered you to make sure Shataya got more involved in client interactions before she even had a chance to tell you what they discussed.

It's not that it's a bad idea. Actually, you know it's easier to give her technical work because you know just what she'll do, but you're the manager. Who's running this department anyway? Doesn't Meese trust you? It's funny. Before he got into the mentorship thing three months ago, you thought Meese liked you and thought well of your work. You never knew him as well as the Vice President of your previous department, but you never thought anything was amiss. Your immediate superior keeps telling you how pleased he is by the way you've come in and managed the department. Now, however, you're beginning to wonder. What will this mean in terms of promotions down the line? Everyone thinks the world of Meese. You'll never get anywhere without his support.

These are your thoughts as you get ready to enter Friday's meeting with Meese and Davis.

**YOUR ROLE IS TO ATTEND FRIDAY'S PREPARATION SESSION. PLEASE STAY IN CHARACTER THROUGHOUT THE MEETING.**

**Score Sheet for Thomas-Kilmann Questionnaire**  
Prof. Mary Rowe – MIT

With Peer(s)		With Manager(s)		With Significant Other or Best Friend	
1 A B	16 A B	1 A B	16 A B	1 A B	16 A B
2 A B	17 A B	2 A B	17 A B	2 A B	17 A B
3 A B	18 A B	3 A B	18 A B	3 A B	18 A B
4 A B	19 A B	4 A B	19 A B	4 A B	19 A B
5 A B	20 A B	5 A B	20 A B	5 A B	20 A B
6 A B	21 A B	6 A B	21 A B	6 A B	21 A B
7 A B	22 A B	7 A B	22 A B	7 A B	22 A B
8 A B	23 A B	8 A B	23 A B	8 A B	23 A B
9 A B	24 A B	9 A B	24 A B	9 A B	24 A B
10 A B	25 A B	10 A B	25 A B	10 A B	25 A B
11 A B	26 A B	11 A B	26 A B	11 A B	26 A B
12 A B	27 A B	12 A B	27 A B	12 A B	27 A B
13 A B	28 A B	13 A B	28 A B	13 A B	28 A B
14 A B	29 A B	14 A B	29 A B	14 A B	29 A B
15 A B	30 A B	15 A B	30 A B	15 A B	30 A B

Please use this score sheet to record your answers, rather than writing in the booklet itself, so that you can use the instrument in three different situations – once dealing with peers, once with managers, and once with a significant other or best friend. Then calculate your profile three separate times using page 6 of the booklet, once for each situation.

## THE \$2 BARGAINING SIMULATION

### **Secret Instructions**

This is zero-sum bargaining. You should get as much of the \$2.00 as you can; make up any story you like; be as effective as you can.

A warning: your colleague has been extraordinarily untrustworthy in all previous \$2 bargaining simulations. Be polite, but please be very much on your guard. Consider carefully anything you are told and be wary. Consider whether you can believe anything your colleague says.

## **THE YEARLY REVIEW**

### **Gentle Care Clinic**

#### **General Information**

The Gentle Care Clinic is an Health Maintenance Organization in a large cosmopolitan, coastal city. It serves 40,000 subscribers and their families, plus a great many national and international visitors with obscure and difficult medical and surgical problems.

For various reasons, (including for example, a huge increase in drug testing, and a sharp increase in expected state and Federal research money for work on a new rare respiratory disease virus, the AIDS viruses known in the US and the AIDS viruses known in equatorial Africa), Gentle Care decided last year to consolidate and expand most of its in-house lab facilities. There has been a huge expansion, and major reorganization of lab services and lab administration, which left almost no stone unturned. The forms for lab tests have changed, the billing system has changed, the labs themselves have expanded and modernized, the record-keeping system has been shifted to a new, more secure computer system... even the spelling of Cyrillic, Arabic, Chinese, Japanese, and African names has been changed and standardized.

In the reorganization a year ago, Dr. Testtube, who heads the Lab Section, hired a new young administrator, Kaoru Suzuki. Kaoru was to coordinate all the new and old, inside and outside sources of work for the Section, and to "pull it all into a coherent service." Kaoru works out of a new office complex with Testtube (who is usually away from the office) and with Kazumi Montana, a secretary who came two years ago.

Kaoru just got a Yearly Review form labelled "To Suzuki, for the evaluation of Montana." It turns out that a performance discussion is supposed to happen every six months. The Yearly Review is the twelve-monthly review which results in the annual salary raise, but "Each supervisor is supposed to sit down with each employee twice a year." (Kaoru—who personally has never yet had any kind of review—learns all of this with some annoyance and chagrin.)

Reading over the form, Kaoru notes that there should be a discussion with Kazumi Montana. Then Kaoru is to put in a numerical recommendation for a raise: (1) Employee on Warning; (2) Below Average; (3) Average; (4) Above Average; (5) Very Superior Performance. The numerical recommendation is supposed to be accompanied by a paragraph in writing. The whole form must be initialed by the

employee, to show that he or she knows the contents and so that the employee may write a response if he or she wishes to do so.

Kaoru read the form again and then agreed to meet with Kazumi Montana the following day.

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## **Instructor's Notes**

### *Yearly Review*

It is commonplace for people to see performance evaluations as a competitive or distributive negotiation. And performance evaluations-whether they are done daily and on the spot-or once a year if at all, can be very important in the context of workplace relations. This case can and will be played collaboratively, competitively, punitively...and so on. It provides a chance for the Instructor to help illuminate the importance of perceived and intended strategies on the part of each player. In addition you will wish to debrief this game in terms of SOURCES OF POWER. Who has the most power? what kinds of power does each have (refer of course to the materials in Negotiations 101).

(In this real case, everything fell apart. The employee had a good BATNA-see Negotiations 101 Sources of Power. The company lost a very valuable employee who felt disrespectfully treated.)

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**KAZUMI MONTANA**

**Gentle Care Yearly Review  
(Secret Instructions)**

You approach this yearly review with hopefulness, irritation, trepidation. It is your first review at Gentle Care. You wish it were with Testtube who has known you longer, and is a nice old person, but at least it is happening, (finally). You have been working really hard. All the upheaval in the Lab Section dropped a considerable new work load on you, along with your new supervisor, Suzuki. Probably no one has noticed, but you devised a new office filing system, in the wake of the new record-keeping, the new computer system and all the other changes. (You even switched over to the new transliteration system for names, which you used for the first time when your office got some correspondence from Taiwan last week.)

The job is really stressful to you. Your friends are pretty liberal. You'd feel uncomfortable describing to them the drug testing going on. You yourself feel uneasy about the virus testing; who knows how safe your building actually is? You also feel depressed about having less contact now with other secretaries. You and others used to help each other from time to time with extra work loads. But since you were moved to a new office, you've been on your own and it is lonely. Sometimes you feel so alone that you drop by a friend's office on the way back from photocopying.

Suzuki's spouse is also a problem. Since Suzuki is so often away from the office, and you are responsible for making sure Kaoru knows what's going on, you are often expected to call the Suzuki home at night to touch base with your boss. Suzuki's spouse, (who is always the one who answers the phone), makes you feel as if your calls were extremely unwelcome. You wonder if Suzuki knows how awful it is for someone who has to phone in. In fact this is a really miserable part of your job. You are thinking seriously of quitting just to escape the really unpleasant phone calls you have to make to the Suzuki home. You've begun looking at other jobs and are thinking about going back to school. What about going back to school to study the organ? (The worse the job gets, the more you are thinking of other possibilities.) The stress of the job is also a particular trial to you because you quit smoking on January 1. You hate cigarettes, although you loved to smoke, you sensed Suzuki doesn't like smoking; the whole subject makes you angry. (It will make you especially angry if the job itself drives you back to smoking!)

All in all, you wish this review would go well. But you feel angry and grouchy, as well as hopeful and curious. The lab technicians are often incredibly boorish, (their "humor" in the labs carries over to the halls and lunch room), there is no longer a group of secretaries to work with unless you sneak out to other offices.... Will Suzuki recognize how hard you've been working? What kind of recommendation will Suzuki make, for your raise?

**Kazumi:** You may make up any details you need that are consistent with the facts you are given. Be alert to the possibility that Kaoru Suzuki may not be very observant about you or about what you do. You may pursue any realistic plan with Kaoru.

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**KAORU SUZUKI****Gentle Care Yearly Review  
(Secret Instructions)**

Your first feeling about the Yearly Review of Kazumi Montana is exasperation. You feel guilty that Kazumi obviously did not have a "six-monthly discussion" with you or Dr. Testtube. You are annoyed that probably no one will ever notice whether you yourself ever get a helpful performance evaluation despite the fact that you are now de facto in charge of many administrative operations. And you have very mixed feelings about Kazumi anyway.

You have been completely swallowed up in the difficult problems of coordinating the Lab Section. Part of the headache is that the new sources of business for Gentle Care are quite controversial. Drug testing is considered loathsome by some, desperately necessary by others. The mechanics of drug testing (taking urine samples, for example) produce ludicrous problems, incredibly unprofessional discussions by technicians on the job, and the worst chain of evidence and quality-control difficulties any supervisor ever faced. The virus testing, which is also a potentially huge source of business for Gentle Care, scares everyone who comes near it, except for the gung-ho scientist-types who are delighted. (These cheerful souls occasionally add to the tension of others by making mad-scientist jokes.) Virus testing is also controversial because many people rightly suspect that Gentle Care labs are being used by insurance companies to screen out bad risks. You know this is true and know that Gentle Care clients count on the Clinic to keep their names out of the papers. All this weighs on you, on top of all the logistics problems of upgrading lab facilities, new record systems, etc. You feel desperately in need of strong office support. In fact this is particularly true because you know that the wave of the future is genetic testing, which has its own wonderful aspects and politically terrible, controversial side. You really need to spend even more time out of the office than before, and you wish Kazumi did not need supervision to get the work done.

You quickly make some notes. When you came a year ago, you were upset about Kazumi's smoking in the office, (bad image in the Clinic). Your spouse is upset because Kazumi sometimes calls in the evening. Your spouse describes Kazumi as coming across like an Army general,.... ("This is Kazumi Montana. May I speak to Kaoru Suzuki please!").... Actually you feel uncomfortable about this. How is Kazumi on the phone with other people? Can you quote your spouse? Sometimes when you drop in at the office, Montana is not there. And, a very painful point, your work always seems to be done very slowly, compared to Testtube's. You often get the feeling Kazumi does not really want to work for you; that Kazumi is jealous of your position and angry that you have it. Kazumi, in fact, sometimes seems to help out other people who are not even in your Section, before getting your work done.

You return to your notes. Kazumi's technical skills are excellent. In fact, whenever Montana is actually working, Montana appears to you to be an extraordinarily fast and efficient secretary. Kazumi also appears to write well, and to be interested in the nuts and bolts of office management. The problem clearly isn't a matter of skill or experience. The more you think about it, the more exasperating it seems.

**Kaoru: You may make up any details you need that are consistent with your instructions. You may pursue any realistic plan with Kazumi. But think carefully; do you know enough about Kazumi and Kazumi's work?**

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## Analyzing the Negotiations of the Other Negotiator

Did the Other appear interested in your interests? In your possible sources of power? Did the Other appear to listen effectively? (Note examples if you like.)

Did the Other appear to you to know his or her *own* interests? If so, to what extent were they clearly presented to you?

Did the Other appear to have a consistent strategy? What was the style of the Other? Which sources of power did you feel the Other was using?

Was the Other prepared on the facts, as far as you can tell? Did the other appear to be negotiating appropriately within the implicit or explicit "rules of the game" (or the laws of the land/company policy, etc.)?

What tactics did the Other use (refer to the Tactics sheet in Negotiations 101)? In particular, was there any shared development of *options*? Of *principles* to decide any given point in dispute? If there were *concessions* were they reciprocal? Did the Other exhibit any especially effective or ineffective tactic? Would this—in your opinion—have been effective or ineffective with others than yourself?

Did you feel respect or disrespect from the Other? How did you feel that the Other responded to your own strategy, tactics, uses of power, successes or errors?

Overall—how do you feel about the process? And about the outcome? Would you trust the Other with an important negotiation of your own?

## Giving Feedback to the Other Negotiator

You may want to comment on all of the points above. Or you might want to elaborate on one or a few.

Effective feedback is specific and factual. It uses examples. It is couched in "I statements" ("*I thought that you...*" rather than "*You did this...*"). It emphasizes the positive and/or the future, where at all appropriate. It is always civil and respectful—with the intention to bring the Other to one's side rather than making the Other defensive. (In general it is not useful to speculate on the motives of the Other unless you need to for a very unusual reason such as feedback in this class.) Wry or humorous feedback often works very well where the mode of humor is self-deprecatory or at least clearly not sarcastic or offering ridicule to the Other.

As you use this worksheet, you will obviously be thinking about your own negotiating. Please in specific think about which tactics and sources of power work best for you? To which are you personally the most vulnerable?

### **Observing the Negotiations of Others as a Third Party**

Did A or B's opening statements reveal any true interests?

Did A or B share relevant information?

What sources of power did each party appear to *have*?

What sources of power did each party appear to *use*?

Did either party use commitment tactics?

Did either party try to exploit weaknesses of the other?

What bargaining *style* did the parties exhibit: accommodative, competitive, compromising, avoiding, collaborative, or mixed?

What *strategy* was each party using? (distributive, integrative, mixed motive)

What tactics of either party were especially noteworthy?

Did either party seek to understand and respect the interests of the other?

Did either party help to develop new options?

Did either party participate in the creation of a face-saving solution?

Did either party emphasize the relationship as much as the settlement?

Subjectively speaking, do you trust either A or B?

## Bargaining Tactics<sup>1</sup> for Distributive, Integrative and Mixed Motive Strategies

### Classic Distributive

Maintain an inscrutable (or hostile) demeanor; bargain on your own turf and do not be hospitable. Or, alternatively, be very charming.

Sacrifice relationship to gains.

Argue ad hominem.

Use humor at the expense of others.

Avoid discussions of the principles that should influence the decisions to be made.

Conceal your own **interests** (appear to ignore the other's **interests**) while doing your best to discover the reservation point of the other.

Conceal all other relevant information as much as possible.

(Dissemble, mislead, lie if necessary.)

Be unexpected, (retract former agreements or points of agreement without notice; rattle the other side).

Bargain in terms of position, (your position). Talk about your rights.

Take extreme positions.

Hold these positions tenaciously.

### Classic Integrative

Be as professional and as pleasant as possible to deal with, whatever the substance of discussion; seek neutral turf. If you cannot be pleasant, be scrupulously civil and respectful.

Build trust for a longterm relationship.

Discuss issues rather than personalities.

Use self-deprecating humor.

Seek agreement on the principles that should determine the decisions to be made.

Describe your **interests**; seek to understand the other's **interests** — listen actively.

Share information; it may help to expand the pie or discover joint gains.

Be truthful.

Be consistent, reliable.

Bargain in terms of **interests** and principles. Talk about **problem-solving**.

Seek reasonable possibilities.

Make reasonable accommodation.

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<sup>1</sup>These descriptions of tactics are not meant as endorsements of all of these tactics. In particular, this paper is not meant as a recommendation of unethical tactics, nor does the author believe that unethical tactics are necessary. (It is perfectly possible to be a principled, distributive bargainer, who uses some but not all of these tactics—just as it is possible to be an unethical integrative negotiator.) It is however important for all negotiators to be aware of the strategies and tactics that may be used by others; please therefore study carefully the tactics in brackets, so that you may recognize them if used against you, and take appropriate action.



Give in only a little, and only if forced.

Offer accommodation on occasion; make larger concessions if warranted.

Widen the agenda so you will have bargaining chips you do not care about, to give up.

Narrow the agenda to what's important, or seek other possible gains for the other side, as well as your own, by expanding the pie and/or constructing a "package".

Set deadlines; create tension; repeat demands; (push decisions through before the other side can assess the implications; conceal negative consequences of the decision for the other side).

Take as much time as you need; take time out; be sure the other side really understands the consequences of the decision and accepts them.

Don't let anyone else in on anything if possible, except as below.

Brainstorm with as many wise heads as possible. Generate more options.

Refer all final decisions to another unknown, or higher authority, (who may even renege if necessary).

Let the real decision-maker bargain directly.

### *Tactics Common to All Strategies*

Fore stall commitment by the other side to the other's initial position.

Help the other side save face, if they do not or can not attain a position they've taken, and especially if they move their position.

Help both sides to come to feel that whatever settlement is reached, that it is the best possible one under the circumstances.

### *Mixed Motive Strategies*

**In almost all negotiating situations you will have "mixed motives," where you wish both to create value with your Other, and then to claim your share. In these situations you may use tactics common to both strategies, or switch at least a little from one strategy to the other. For example one would show respect at all times, be cautiously forthcoming about one's interests, share information as trust grows, be truthful and consistent, seek common ground and agreement on principle, generate as many options as possible, and in general pursue the integrative path as long as possible, while explicitly safeguarding your own interests. In many situations you will be able to expand the pie before having to divide it.**

These ideas are drawn from the experience of the author and from Walton & McKersie, *A Behavioral Theory of Labor Negotiations*, McGraw-Hill, 1965. They also owe much to the work of Roger Fisher and of William Ury.

## BASIC NEGOTIATION AND MEDIATION TASKS

### **Basic Tasks for a Pure Distributive Strategy**

1. *Figure out your own interests and reservation point as well as you can. Keep reviewing these points while you negotiate.*
2. *Figure out the interests and reservation point of the Other (the other party or parties). Be alert to new data while you negotiate.*
3. Seek to move the reservation point of the Other to widen the bargaining range especially if there is a negative range. (This process is often begun by “sowing doubt.”) However, if necessary for a settlement that you must achieve, move your own reservation point.
4. Seek a settlement as close as possible to the reservation point of the Other so that you win the maximum profit.
5. *Do what you can to see that both you and the Other come to see this settlement as the best possible one under the circumstances.*

### **Basic Tasks for an Integrative or Mixed Motive Strategy**

1. *Figure out your own interests and reservation point as well as you can. Keep reviewing these points while you negotiate.*
2. *Figure out the interests and reservation point of the Other. Be alert to new data while you negotiate.*
3. Through judiciously shared information and brainstorming, seek to expand the pie so that each side may get as much as possible of what it would like. Explore moving the reservation points of each side.
4. Decide on fair principles to determine how to divide the pie.
5. *Do what you can to see that both you and the Other come to see this settlement as the best possible one under the circumstances.*

### **Basic Tasks for Mediation**

1. Figure out the real interests — not the “positions” — and reservation point for each side as well as you can. Privately review your understanding of these points with each side. If appropriate, keep reviewing these points during the mediation. Stay alert for new data.
2. Through acquiring information and brainstorming, seek to expand the pie so that each side might get as much as possible of what it would like. Explore moving the reservation points of each side.
3. Help the parties decide on fair principles to determine how to decide the issues at hand.
4. *Do you what you can to see that all parties come to see the settlement — if any — as the best possible one under the circumstances.*

# Changing Behavior

- 1) Reinforce and reward good behavior which, as it takes place, is inconsistent with, and blocks, the (bad) behavior that you hope will disappear....**
- 2) Reinforce good behavior (role-modeling from senior people, performance reviews, etc.)**
- 3) Punish bad behavior**
- 4) "Name" what is good behavior and bad behavior**
- 5) Ignore bad behavior (and good behavior)**
- 6) Reward bad behavior**
- 7) Alternately reward and punish bad behavior --- this will cast it in concrete forever**

## **Options for complaint-handling include problem-solving and formal options:**

### **I. Problem-solving options, oriented toward the interests of all parties:**

**A. Negotiation:** problem-solving options include A (the complainant) choosing to negotiate directly with B (the apparent offender):

- A could choose to learn how to write a civil, factual, private note or letter to B, laying out the facts as A sees them, A's feelings about these facts, and the remedies proposed by A.
- A could choose to learn how to go talk directly with B, with or without presentation of the note or letter.

Drafting a private letter is usually the most helpful first step for A to take, in deciding what to do next. This is especially true if A is angry and upset, in which case it may take a number of drafts to support A to deal with rage and grief, and come to a polite, factual version.

Preparing a private letter, whether or not it is sent, is almost always helpful in choosing an option—and thereafter, in pursuing any option.

A private letter may be a good approach for concerns that are in part a matter of perception, like arguments over who should get credit for a successful idea. In a sexual harassment complaint, a letter may also help, later on, to demonstrate that sexualized behavior actually occurred and that it was unwelcome. (Both of these points would be essential in making a finding of sexual harassment if the private approach did not work.)

If a supervisor knows that a private approach is being chosen, the supervisor should follow up with the complainant, to be sure that the problem has ended.

**B. Informal third-party intervention:** problem-solving includes having a third party go back and forth between A and B, or bring A and B together, to resolve the complaint. The third party could be a designated staff person, an HRM manager, an impartial line supervisor or department head, or other appropriate person. It is important in these

approaches that there should be no adverse administrative action without a process which is fair to the offended person, and to the alleged offender. And the third party go-between should follow up to be sure that the problem has stopped.

**C. Classic Mediation:** problem-solving also includes a process of formal mediation in which A and B voluntarily choose to be helped by an impartial person to find their own settlement. These settlements often are put into writing, and may be on or off the record. Classic mediation has been relatively rare in sexual harassment cases but this option is now becoming more common. Mediation may be especially useful where there are differences in perception, and for cases where statements by the parties constitute the only available evidence.

**D. Generic Approaches:** problem-solving also includes generic approaches which are intended to change the system, or to alert possible offenders to inappropriate professional behavior, in such a way that the alleged problem disappears. For example, a department head might choose to distribute and discuss copies of harassment policy, in order to stop a given problem. Or a department head might encourage harassment training, in such a way as to address and prevent inappropriate behavior. Generic approaches may be effective in stopping unprofessional behavior and help to support the effectiveness of individual approaches. Generic approaches may also prevent similar problems.

#### **Formal options, oriented toward right and wrong:**

**E. Investigation and Adjudication:** a supervisor, department head, human resources manager or other appropriate staff person may investigate and formally dispose of a complaint—or may appoint some other person or committee to do so. This is the option that is oriented toward win/lose—toward assessing "right and wrong." If adverse administrative action may ensue, fairness requires: an investigator who is impartial, notice to the alleged offender, and a reasonable opportunity for the alleged offender to respond to complaints and evidence against him or her.

# CONFLICT STYLES

## When to Use Which Style?

### Competing

#### Often Appropriate When:

- an emergency looms
- you're sure you're right, and being right matters more than preserving relationships
- the issue is trivial and others don't really care what happens

#### Often Inappropriate When:

- collaboration has not yet been attempted
- cooperation from others is important
- used routinely for most issues
- self-respect of others is diminished needlessly

### Collaborating

#### Often Appropriate When:

- the issues and relationship are both significant
- cooperation is important
- a creative end is important
- reasonable hope exists to address all concerns

#### Often Inappropriate When:

- time is short
- the issues are unimportant
- you're over-loaded
- the goals of the other person certainly are wrong

### Compromising

#### Often Appropriate When:

- cooperation is important but time or resources are limited
- when finding some solution, even less than the best, is better than a complete stalemate.
- when efforts to collaborate will be misunderstood as forcing

#### Often Inappropriate When:

- finding the most creative solutions possible is essential
- when you can't live with the consequences

### Avoiding

#### Often Appropriate When:

- the issue is trivial
- the relationship is insignificant
- time is short and a decision not necessary
- you have little power but still wish to block the other person

#### Often Inappropriate When:

- you care about both the relationship and the issue involved
- used habitually for most issues
- negative feelings may linger
- others would benefit from caring confrontation

### Accommodating

#### Often Appropriate When:

- you really don't care about the issue
- you're powerless but have no wish to block the other person
- when you realize you are wrong

#### Often Inappropriate When:

- you are likely to harbor resentment
- used habitually in order to gain acceptance (outcome: depression and lack of self-respect)
- when others wish to collaborate and will feel like enforcers if you accommodate

## Dealing with Difficult Tactics

1. Play the aggressive strategy right back.
2. Ignore the aggressive strategy. Lead a change in the game by proposing objective criteria and principles that should be considered.
3. Ignore the aggressive strategy. Lead a change in the game by concentrating first on the interests of the Other and then on your interests.
4. “Name” the aggressive strategy of the Other and try to negotiate a change in the game by generating options, and concentrating on objective criteria and interest of all parties.
5. Propose a change in negotiators.
6. Go to your fallback position (your BATNA).
7. Go to your “micro-BATNA”.

## **How would you know if you are an effective Negotiator?**

Who should decide? Should you decide, or should your supervisor? Your Significant Other?

What about the Other? And what about other stakeholders?

Is it all about outcome? Or process? Or both?

Can you tell right away if you have been effective? Or is it the long run that counts?

Do you have "ethical" and "legal" on your list of required characteristics?

When would collaborative and when would competitive or mixed motive strategies be most effective?

How "wide" an effect do you want to have as a negotiator? Do well on one negotiation? Or improve a whole system?



# Ineffective Competitives

- ◆ Obnoxious, complaining, rude
- ◆ Unsure of the values at hand
- ◆ Not realistic, perceptive, astute

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# Ineffective Cooperatives

- ◆ Unsure of self and interests
- ◆ Not creative or perceptive
- ◆ Not realistic or astute

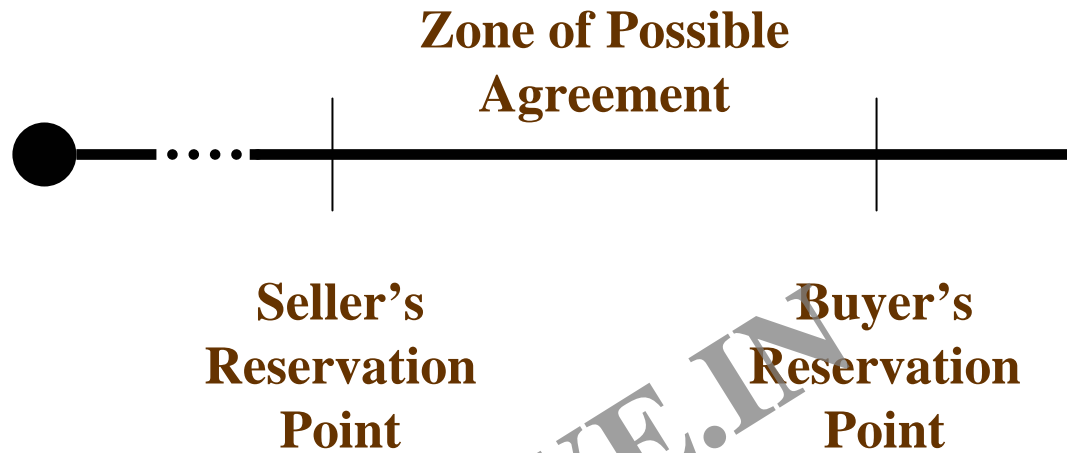
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# Effective Negotiators (both strategies)

- ◆ Ethical, trustworthy
- ◆ Appropriately courteous
- ◆ Prepared
- ◆ Creative, realistic
- ◆ Perceptive, self-controlled

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# Bargaining Range

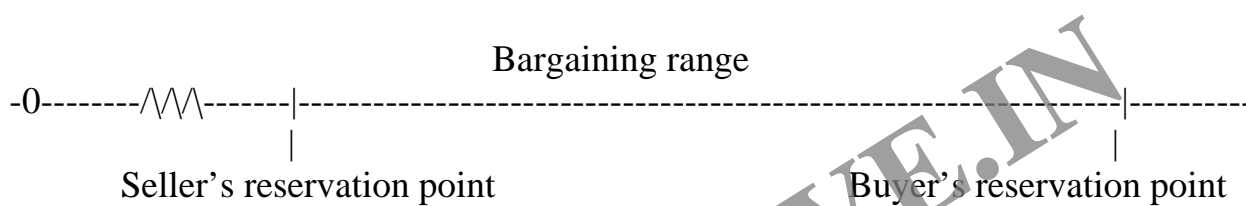


## MORE TERMS IN NEGOTIATION

**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 parties changes reservation points.

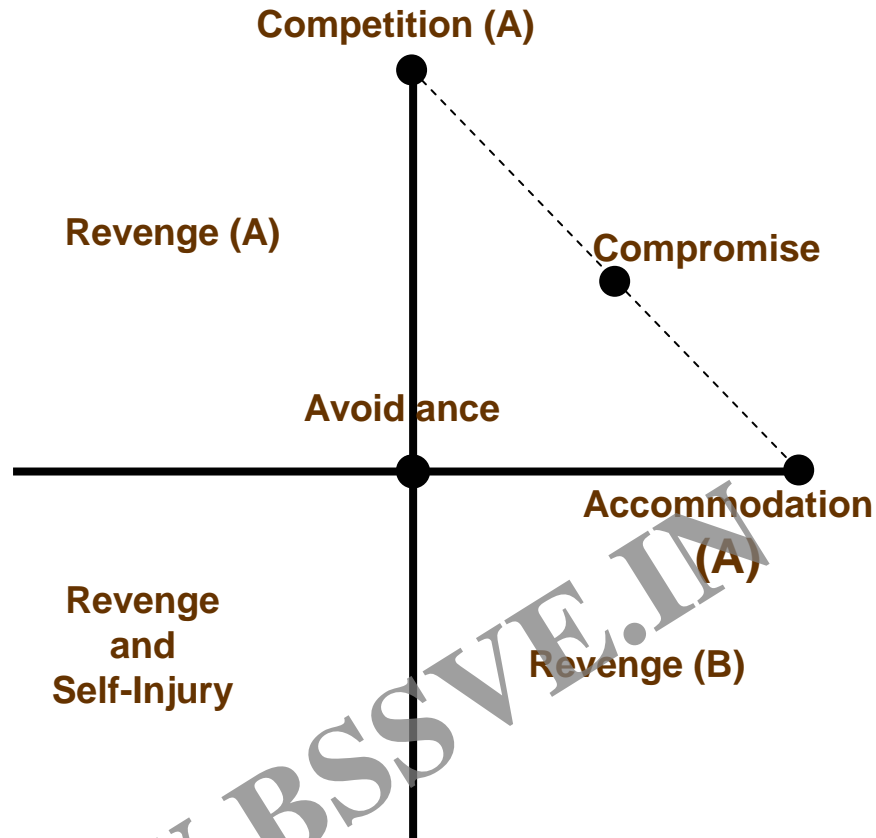
### BUYING A HOUSE



**Expanding the pie:** The process of adding elements to a negotiation which help one or both sides to gain more—a basic task in 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 great gain to the other. These elements can usually be added to almost any negotiation no matter how distributive the negotiation at first appears to be. As examples: the seller of a house may not care about taking the curtains or the lawn furniture. The buyer may greatly value these amenities because they will save a lot of time in moving in. The buyer might agree to a postponed moving date which does not affect him or her very much—in order to accommodate the seller's staying until the end of a school year. In return, the seller may not mind if the buyer sends loads of books that will be stored in the garage months before transfer takes place. Both buyer and seller may enjoy introducing the buyer to the neighbors. Both may greatly value respectful and honorable treatment from the other—which usually costs nothing.

**Positions vs. Interests:** A position is what you say you 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 why you want what you want. Interest-based bargaining adds integrative potential.

# Negotiation Styles/Strategies



# Interests vs. Positions

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◆ Interests

◆ Rights

◆ Power

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# Negotiation Strategies: Definitions

- Distributive Strategy:** Claiming all the profit or the maximum share for oneself - winning it all.
- Integrative Strategy:** Creating value (expanding the pie) and finding solutions that best fit the needs of all or most parties -- especially over time.
- Mixed-Motive Strategy:** Expanding the pie and meeting the needs of all or most parties as much as possible while claiming an appropriate share.

# Negotiation Styles – Typology #1: Definitions

## Competitive Style:

To try to do better than all others.

## Cooperative Style:

To try to be sure that the feelings of all are properly dealt with.

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To try to find the best possible outcome regardless of the achievements and feelings of others.

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# Negotiation Styles - Typology #2: Definitions

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# Team Building

## Interests -

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- ◆ collaborative, cooperative learning styles
- ◆ integrative and mixed motive strategies
- ◆ informal problem solving rather than “justice”

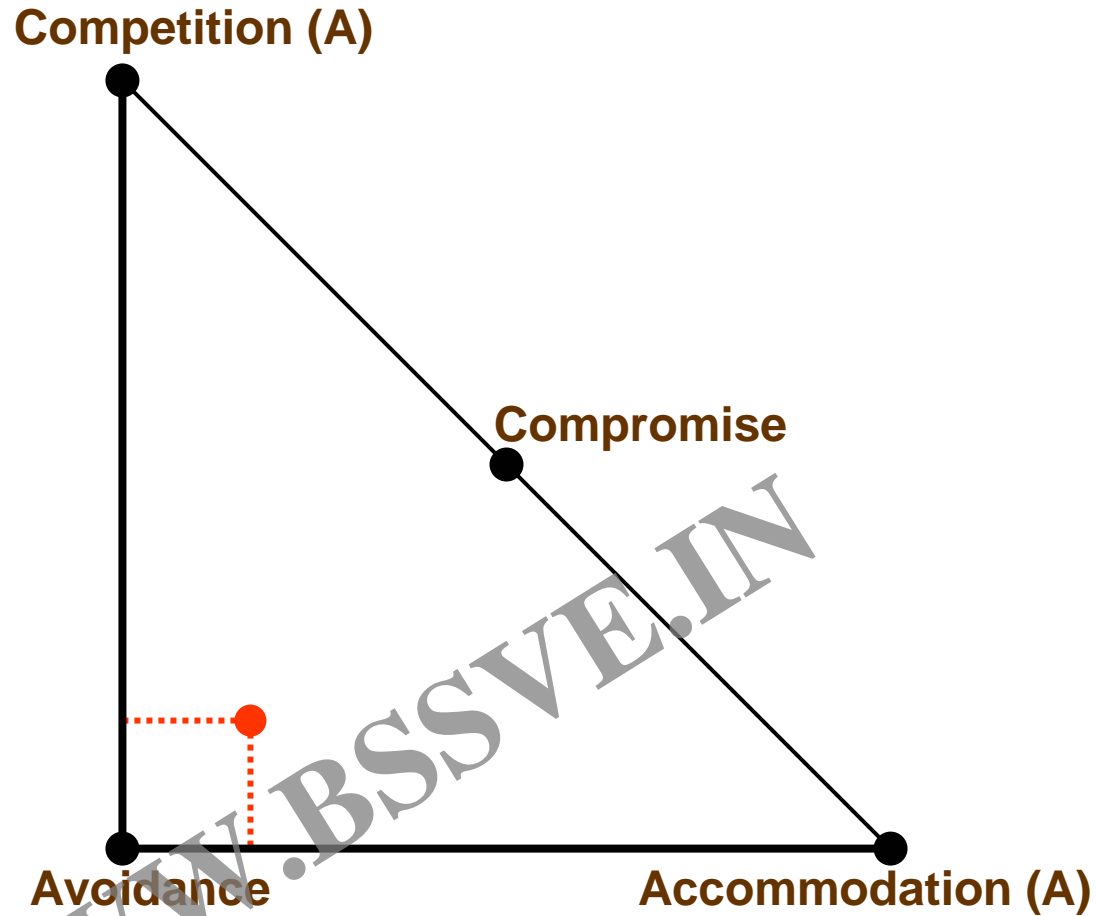
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- ◆ distributive strategy
- ◆ justice orientation rather than problem-solving

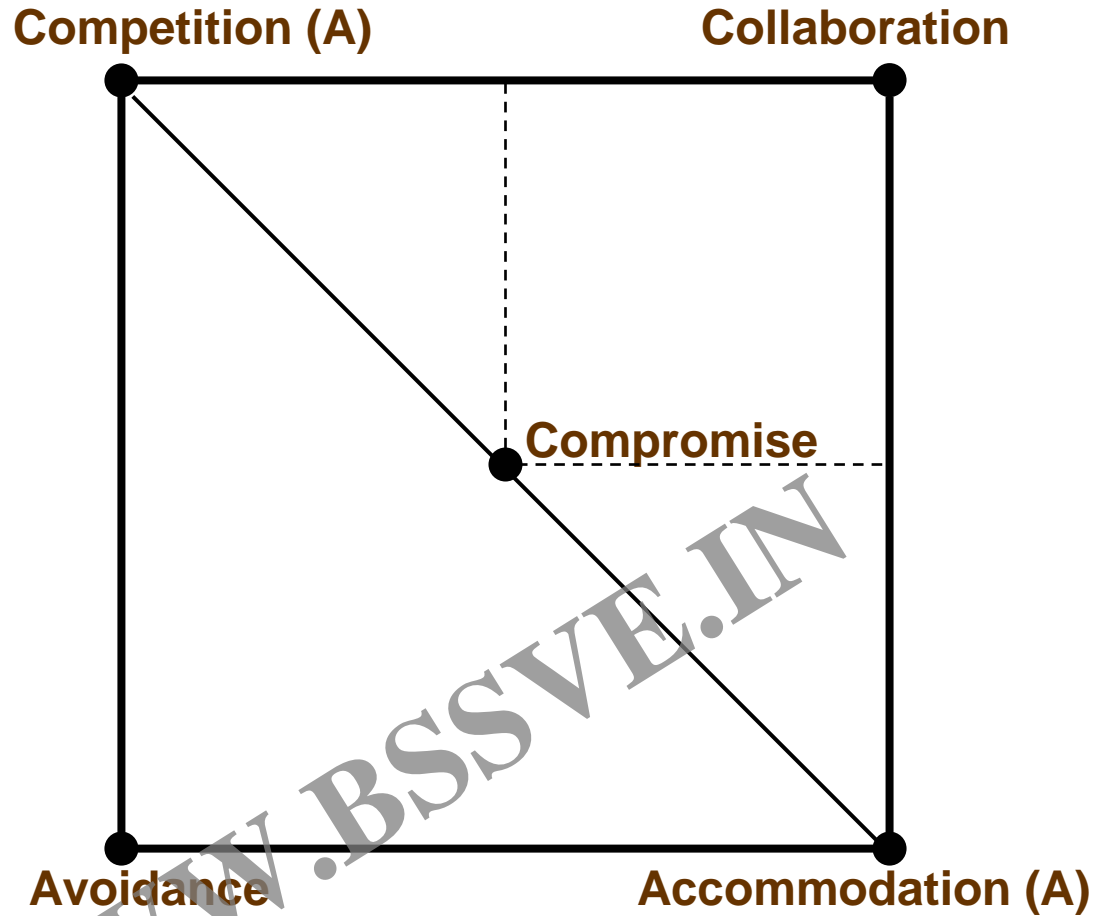
- ◆ Tangibles
- ◆ Intangibles

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# Negotiation Styles/Strategies



# Negotiation Styles/Strategies



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Please check off on this sheet which of these situations represents a negotiation.  
(You may wish first to answer all those you find easy and then go back to the others.)

- Buying a rug in a West African market
- Soliciting a new source of venture capital
- Trying to capture/kill a warlord in a regional war
- Trying to injure or ruin a competitor
- Writing back and forth with someone you do not know on the Internet
- Meeting your potential in-laws for the first time
- Giving or receiving commendation and criticism
- Deciding how the dishes will get done
- Borrowing a wonderful piece of clothing from a family member
- Deciding whether to stay late at work to finish up a project
- Making up, or rebuilding a relationship with someone you love
- Picking a successor for the CEO of a company where you are on the board
- Getting a child to go to bed
- Getting into a class or training program with limited enrollment
- Courting your Life's Companion
- Laying off or firing someone
- Discussing the outsourcing of a business function with the manager of the function
- Deciding with a family member where to invest a small joint inheritance
- Soliciting a major gift from a major donor
- Soliciting bids for the new advertising campaign for your company
- Talking with your parent(s) this weekend
- Saying good-bye to someone you will not see for a long time
- Finding an advisor, or a mentor, or a counselor, or a new dentist
- Discussing with a recruiter the salary and benefits you feel you deserve
- Trying to get back to sleep when something is worrying you
- Trying to shake off a stranger on the street who keeps walking with you
- Getting an extension on a paper or a project
- Apologizing to someone whose property you unknowingly damaged
- Seeing someone you dislike and turning away at a party
- Interviewing a potential baby-sitter
- Accepting a bribe
- Turning down a bribe
- Getting another country to lower a trade barrier
- Talking anonymously about an unsafe workplace condition with a Hot Line person
- Meeting a new teammate for the first time
- Struggling to stay on a diet or exercise plan or give up smoking



# **Negotiation: Theory and Practice**

(N101)

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## A Butterfly's View of 15.667 — Negotiations and Conflict Management

(see which questions you can answer?)

- 1) Is there one especially "**rational way**" to divide \$2 with a stranger? (If you think there is not, what determines the family of "rational choices"?)
- 2) Do you think that most **business decisions are made rationally**? Is there usually one optimum decision?
- 3) You are facing a specified conflict or negotiation with someone about whom you know only demographics, style and job description. **You have only an hour**. What might you do to prepare?
- 4) In real life, in a super important case, how and when should you choose which **strategies and tactics** you will use in a negotiation? On what factors ought this choice to depend?
- 5) How can one try to prevent a "**bad attitude death spiral**" in a negotiation with someone you do or do not know well? Where does a desire for **revenge** come from?
- 6) Which of the ways of **building trust** appeal to you the most?
- 7) What is the difference between **manipulating people and inspiring them** (as a leader)?
- 8) If you or someone else has gotten **painted into a corner**, through a commitment that should never have been made, what could be done?
- 9) Can you tell when someone is **lying** to you?
- 10) How might you figure out the strategy and depth of strategy the Other is using in a negotiation?
- 11) Within a close team or a couple, if you have no time in each negotiation to pursue the best win-win solutions, where both sides gain simultaneously, how can A and B behave so **that both are actually gaining, in the aggregate**, over time?
- 12) How would you define **effectiveness** in a negotiation? Are you effective? Who do you know that is effective?
- 13) Is it the choice of negotiating *strategy* that determines **effectiveness**? If so — which strategy is most effective?

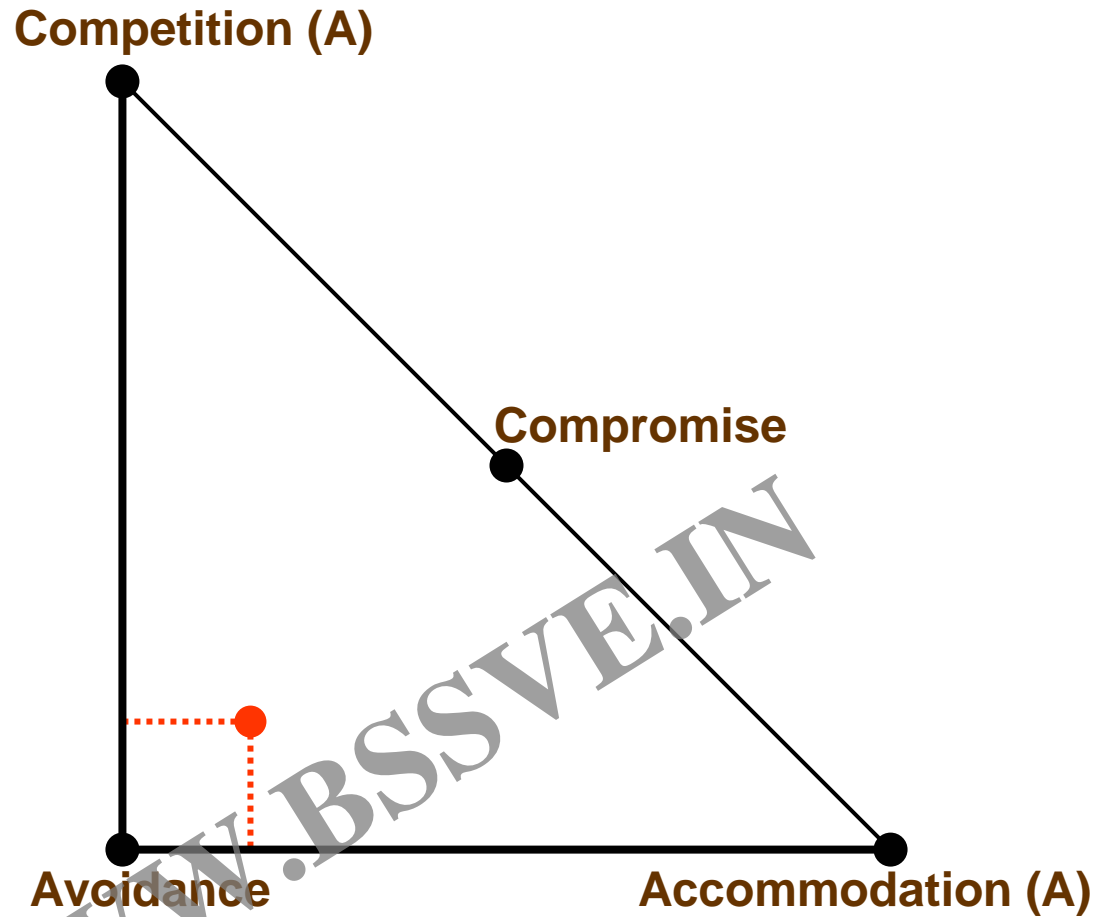
- 14) If not — which tasks and skills most fundamentally determine the effectiveness of a negotiator?
- 15) What proportions of all your negotiations and conflicts are "mixed motive"? What proportion is purely collaborative? and what proportion is purely competitive? After you take the Thomas Kilmann Questionnaire, assess the strengths, in the five basic strategies, that you bring to your negotiations. Are your **skills in balance with the requirements of the negotiations** you are engaged in? (Which of the tactics on the Tactics sheets in Negotiation 101 do you want to practice?)
- 16) Imagine you are **assembling a team** to start a project or a company. What would you look for, in the people you would choose for your team, with respect to the five sets of strategic strengths in negotiation?
- 17) Given that most people think they are ethical, *and* that people are not at all the same with respect to **ethical standards**, would you want to give your future employees or partners an Ethics test? :-) See if what they *actually* do is what they say they *should* do, when ethical questions arise? Just see if they do what they agree to do, in negotiations with you? Suppose they think different standards should apply to them than to "most people"?
- 18) What is the likely effect of having an **observer** when you negotiate?
- 19) In complex negotiations what are some of the reasons for **sidebar discussions** with someone on the Other's team? Are there any reasons not to have sidebar discussions?
- 20) If you wanted to **win over a ten-person decision-making group** about a certain proposal, what are some of the ways you might do this successfully?
- 21) Please think of one or two negotiations that are truly vital to you — these could either be negotiations with yourself or negotiations with Others. **What is it that is being negotiated?** Think for example, about money, time, status and prestige, trust, space, family status, future growth possibilities, etc. Is money the most important subject? Name some ways you could find out how effective you are in this real-life negotiation that really matters to you.
- 22) The Last Task in a negotiation is: that all parties must come to see the outcome as the best possible under the circumstances. When is the last time you have seen the failure of the Last Task in a negotiation? Why did this happen?
- 23) Under what circumstances would you make the **first offer** in a competitive negotiation?
- 24) Under what circumstances would you **lay out all your relevant real interests** in a negotiation?

- 25) Name some elements of process you would want to think about, if you were going to negotiate for your side on a two-person team.
- 26) In a setting with coalitions, would you prefer to be a "pivot" person, or the person with the most tangible resources, if those are not the same?
- 27) Some of the options for dealing with complaints are: listening, referring people to other resources, just giving or receiving needed information, helping people help themselves through developing choices and coaching, shuttle diplomacy, formal mediation, fact-finding, arbitration or adjudication (and managerial decision-making), systems change, generic approaches, agency complaints, lawsuits, going to the newspapers. Which of these are more likely to be collaborative? Which are more likely to be competitive? Which will likely be "mixed motive"?
- 28) Some sources of power in negotiations include: legitimate authority, rewards, sanctions, force, information, expertise, elegant solutions, commitment, moral authority, BATNA, relationships. Which of these sources of power do you need for each of the options above, for dealing with complaints?
- 29) Who should decide which complaint option or conflict management option is chosen? The manager? The complainant?
- 30) Which is the most cost-effective complaint handling option'?
- 31) What does a person in an organization think about first when he or she wants to raise a concern or make a complaint?
- 32) Is it possible to go outside the organization with a complaint and still have a normal work life thereafter within the organization? What does your answer mean for conflict management system design?
- 33) What is the first question to ask yourself when you face a dispute or a complaint as a manager?
- 34) Which sources of power do people turn to when they feel powerless? What is the effect?
- 35) Is there such a thing as a "frivolous" complaint? What would you want to try, if someone kept blaming problems on other people?
- 36) Under what circumstances is a Difficult Person not "difficult"?
- 37) Which sources of power are likely help the most, in dealing with a very Difficult Person?

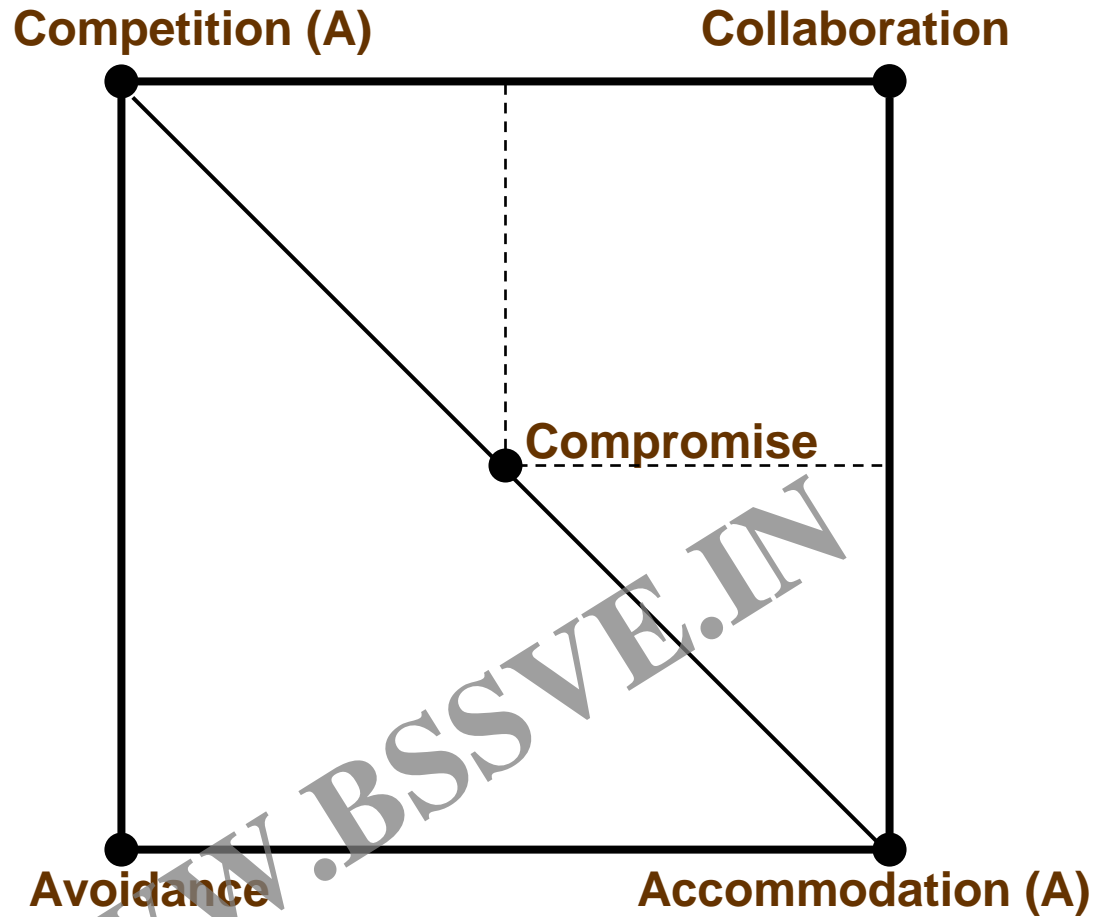
- 38) How do you manage your own emotions in conflict situations? (Do you consciously manage your emotions at all, or do you simply react?) What do you do if you start to feel yourself getting upset?
- 39) Do you try to affect the emotions of others in a conflict situation? How? For what purpose?

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# Negotiation Styles/Strategies



# Negotiation Styles/Strategies



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# CONFLICT STYLES

## When to Use Which Style?

### Competing

#### Often Appropriate When:

- an emergency looms
- you're sure you're right, and being right matters more than preserving relationships
- the issue is trivial and others don't really care what happens

#### Often Inappropriate When:

- collaboration has not yet been attempted
- cooperation from others is important
- used routinely for most issues
- self-respect of others is diminished needlessly

### Collaborating

#### Often Appropriate When:

- the issues and relationship are both significant
- cooperation is important
- a creative end is important
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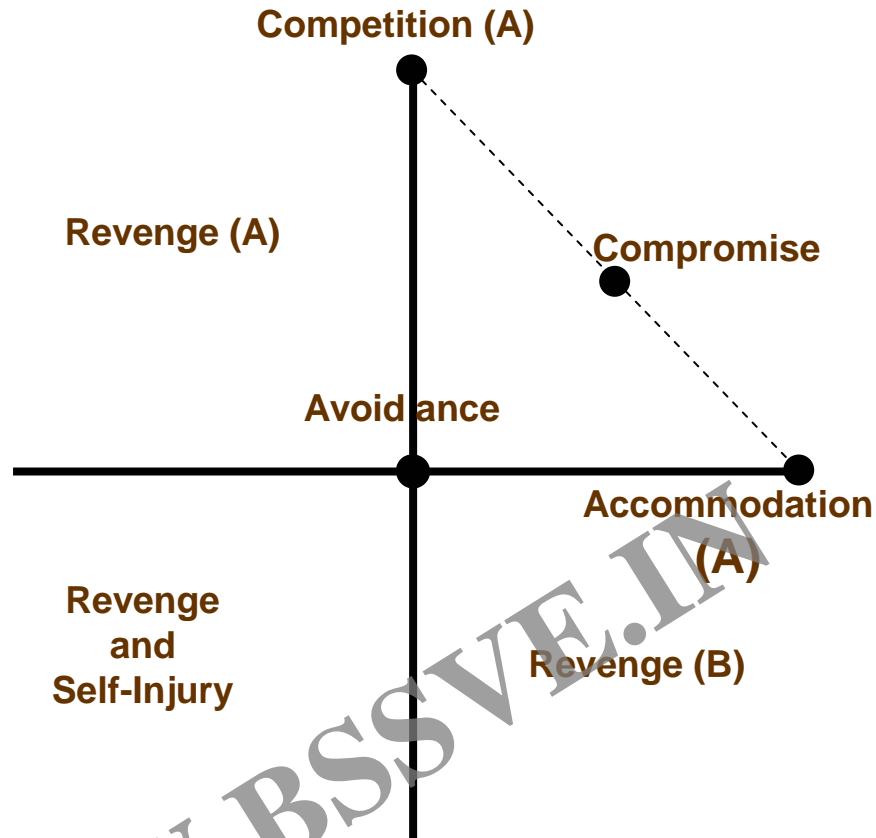
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# Negotiation Styles/Strategies



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# Interests vs. Positions

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◆ Interests

◆ Rights

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# Negotiation Strategies: Definitions

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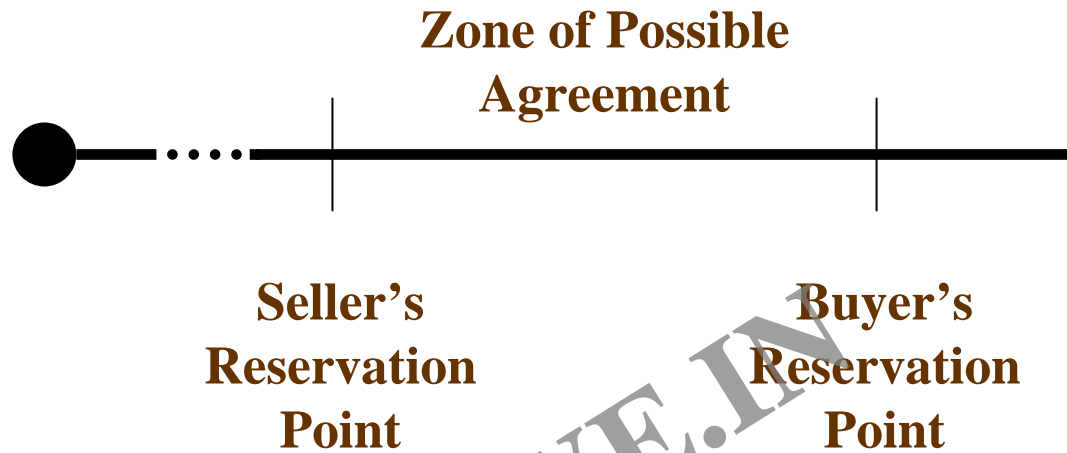
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- ◆ Tangibles
- ◆ Intangibles

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# Bargaining Range



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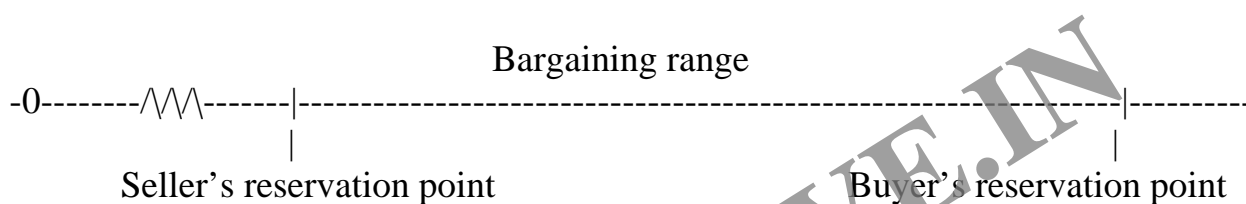
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# Strategy and Style

Strategy Style	Distributive	Integrative	Mixed Motive
Competitive			
Cooperative			

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# Ineffective Competitives

- ◆ Obnoxious, complaining, rude
- ◆ Unsure of the values at hand
- ◆ Not realistic, perceptive, astute

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- ◆ Prepared
- ◆ Creative, realistic
- ◆ Perceptive, self-controlled

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## Bargaining Tactics<sup>1</sup> for Distributive, Integrative and Mixed Motive Strategies

### Classic Distributive

Maintain an inscrutable (or hostile) demeanor; bargain on your own turf and do not be hospitable. Or, alternatively, be very charming.

Sacrifice relationship to gains.

Argue ad hominem.

Use humor at the expense of others.

Avoid discussions of the principles that should influence the decisions to be made.

Conceal your own **interests** (appear to ignore the other's **interests**) while doing your best to discover the reservation point of the other.

Conceal all other relevant information as much as possible.

(Dissemble, mislead, lie if necessary.)

Be unexpected, (retract former agreements or points of agreement without notice; rattle the other side).

Bargain in terms of position, (your position). Talk about your rights.

Take extreme positions.

Hold these positions tenaciously.

### Classic Integrative

Be as professional and as pleasant as possible to deal with, whatever the substance of discussion; seek neutral turf. If you cannot be pleasant, be scrupulously civil and respectful.

Build trust for a longterm relationship.

Discuss issues rather than personalities.

Use self-deprecating humor.

Seek agreement on the principles that should determine the decisions to be made.

Describe your **interests**; seek to understand the other's **interests** — listen actively.

Share information; it may help to expand the pie or discover joint gains.

Be truthful.

Be consistent, reliable.

Bargain in terms of **interests** and principles. Talk about **problem-solving**.

Seek reasonable possibilities.

Make reasonable accommodation.

---

<sup>1</sup>These descriptions of tactics are not meant as endorsements of all of these tactics. In particular, this paper is not meant as a recommendation of unethical tactics, nor does the author believe that unethical tactics are necessary. (It is perfectly possible to be a principled, distributive bargainer, who uses some but not all of these tactics—just as it is possible to be an unethical integrative negotiator.) It is however important for all negotiators to be aware of the strategies and tactics that may be used by others; please therefore study carefully the tactics in brackets, so that you may recognize them if used against you, and take appropriate action.



Give in only a little, and only if forced.

Offer accommodation on occasion; make larger concessions if warranted.

Widen the agenda so you will have bargaining chips you do not care about, to give up.

Narrow the agenda to what's important, or seek other possible gains for the other side, as well as your own, by expanding the pie and/or constructing a "package".

Set deadlines; create tension; repeat demands; (push decisions through before the other side can assess the implications; conceal negative consequences of the decision for the other side).

Take as much time as you need; take time out; be sure the other side really understands the consequences of the decision and accepts them.

Don't let anyone else in on anything if possible, except as below.

Brainstorm with as many wise heads as possible. Generate more options.

Refer all final decisions to another unknown, or higher authority, (who may even renege if necessary).

Let the real decision-maker bargain directly.

### *Tactics Common to All Strategies*

Forestall commitment by the other side to the other's initial position.

Help the other side save face, if they do not or can not attain a position they've taken, and especially if they move their position.

Help both sides to come to feel that whatever settlement is reached, that it is the best possible one under the circumstances.

### *Mixed Motive Strategies*

**In almost all negotiating situations you will have "mixed motives," where you wish both to create value with your Other, and then to claim your share. In these situations you may use tactics common to both strategies, or switch at least a little from one strategy to the other. For example one would show respect at all times, be cautiously forthcoming about one's interests, share information as trust grows, be truthful and consistent, seek common ground and agreement on principle, generate as many options as possible, and in general pursue the integrative path as long as possible, while explicitly safeguarding your own interests. In many situations you will be able to expand the pie before having to divide it.**

These ideas are drawn from the experience of the author and from Walton & McKersie, *A Behavioral Theory of Labor Negotiations*, McGraw-Hill, 1965. They also owe much to the work of Roger Fisher and of William Ury.

## BASIC NEGOTIATION AND MEDIATION TASKS

### Basic Tasks for a Pure Distributive Strategy

1. *Figure out your own interests and reservation point as well as you can. Keep reviewing these points while you negotiate.*
2. *Figure out the interests and reservation point of the Other (the other party or parties). Be alert to new data while you negotiate.*
3. Seek to move the reservation point of the Other to widen the bargaining range especially if there is a negative range. (This process is often begun by “sowing doubt.”) However, if necessary for a settlement that you must achieve, move your own reservation point.
4. Seek a settlement as close as possible to the reservation point of the Other so that you win the maximum profit.
5. *Do what you can to see that both you and the Other come to see this settlement as the best possible one under the circumstances.*

### Basic Tasks for an Integrative or Mixed Motive Strategy

1. *Figure out your own interests and reservation point as well as you can. Keep reviewing these points while you negotiate.*
2. *Figure out the interests and reservation point of the Other. Be alert to new data while you negotiate.*
3. Through judiciously shared information and brainstorming, seek to expand the pie so that each side may get as much as possible of what it would like. Explore moving the reservation points of each side.
4. Decide on fair principles to determine how to divide the pie.
5. *Do what you can to see that both you and the Other come to see this settlement as the best possible one under the circumstances.*

### Basic Tasks for Mediation

1. Figure out the real interests — not the “positions” — and reservation point for each side as well as you can. Privately review your understanding of these points with each side. If appropriate, keep reviewing these points during the mediation. Stay alert for new data.
2. Through acquiring information and brainstorming, seek to expand the pie so that each side might get as much as possible of what it would like. Explore moving the reservation points of each side.
3. Help the parties decide on fair principles to determine how to decide the issues at hand.
4. *Do you what you can to see that all parties come to see the settlement — if any — as the best possible one under the circumstances.*

# Sources of Power in Negotiations

- ◆ Positional Power or the Power of Legitimate Authority
  - “You do what I say because I’m the boss - that’s why!”
  - “Like it or not - that’s the law.”

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# Sources of Power in Negotiations

## ◆ Rewards

- “He bought his way in...”
- “Do whatever he says - you’ll be glad you did.”

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# Sources of Power in Negotiations

## ◆ Sanctions

- “She said she would just sue me...”
- “If you continue to make these mistakes - at very least it means a demotion.”

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# Sources of Power in Negotiations

## ◆ Force

- “I will get you...and your children, if you continue...”
- “This assignment isn’t safe for a woman - we can’t send you there.”

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# Sources of Power in Negotiations

## ◆ Information

- “He was able to get us the information we needed about what our competition is planning for the next year.”
- “You think you’re being paid fairly? Let me tell you what others are making.”

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# Sources of Power in Negotiations

## ◆ Expertise

- “She is the most important employee here - she is the only person who really knows how the data system works.”
- “I don’t care if there’s a hiring freeze. Get me someone who knows about interoperability.”

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# Sources of Power in Negotiations

## ◆ An Elegant Solution

- “We were completely stymied. He walked in here with a magic wand - he fit together all the pieces of the puzzle and found us a workable answer that helps everyone at least a little and saves face for everyone.”

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# Sources of Power in Negotiations

- ◆ Charisma - referent authority - moral authority
  - “People would just stop what they were doing and watch him and listen to him and do their best to support whatever he wanted done.”
  - “It was scary. But I got to my feet and said, ‘You must stop this.’ And he did.”

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# Sources of Power in Negotiations

## ◆ Commitment

- “She just never gave up. She camped outside his office night and day until finally he had to listen.”
- “We will go to the mat on this one - let there be no mistake. It’s this or a strike.”

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# Sources of Power in Negotiations

- ◆ Relationship - power gained or power lost
  - “Friends come and go - enemies accumulate forever.”
  - “I know her and she is the only person I will deal with on this matter.”

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# Sources of Power in Negotiations

- ◆ BATNA - the best alternative to a negotiated agreement
  - “They had all the time in the world and lots of other customers - they did not need us.”
  - “The worst that can happen is that I will just go back where I came from. I might even like that.”

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### Options, Strategies and Uses of Power

	<b>Uses of Power</b>
<b>Strategies</b>	Options

	No Use of Power	BATNA	Commitment	Elegant Solution	Expertise	Force	Information	Legitimate Authority	Moral Authority and Charisma	Relationship	Rewards	Sanction
Accommodation												
Avoidance												
Collaboration												
Compromise												
Competitive												
Mixed-Motive												
Revenge and Self-injury												

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# Preparing for a Negotiation

Questions to address before and during negotiation

1. Whose interests are at stake?
2. What are their interests?
3. What are the sources of power for each person whose interests are at stake?
4. What are all the possible options?
5. What strategy do I wish to adopt?

## Dealing with Difficult Tactics

1. Play the aggressive strategy right back.
2. Ignore the aggressive strategy. Lead a change in the game by proposing objective criteria and principles that should be considered.
3. Ignore the aggressive strategy. Lead a change in the game by concentrating first on the interests of the Other and then on your interests.
4. “Name” the aggressive strategy of the Other and try to negotiate a change in the game by generating options, and concentrating on objective criteria and interest of all parties.
5. Propose a change in negotiators.
6. Go to your fallback position (your BATNA).
7. Go to your “micro-BATNA”.



## Options for complaint-handling include problem-solving and formal options:

### I. Problem-solving options, oriented toward the interests of all parties:

**A. Negotiation:** problem-solving options include A (the complainant) choosing to negotiate directly with B (the apparent offender):

- A could choose to learn how to write a civil, factual, private note or letter to B, laying out the facts as A sees them, A's feelings about these facts, and the remedies proposed by A.
- A could choose to learn how to go talk directly with B, with or without presentation of the note or letter.

Drafting a private letter is usually the most helpful first step for A to take, in deciding what to do next. This is especially true if A is angry and upset, in which case it may take a number of drafts to support A to deal with rage and grief, and come to a polite, factual version.

Preparing a private letter, whether or not it is sent, is almost always helpful in choosing an option—and thereafter, in pursuing any option.

A private letter may be a good approach for concerns that are in part a matter of perception, like arguments over who should get credit for a successful idea. In a sexual harassment complaint, a letter may also help, later on, to demonstrate that sexualized behavior actually occurred and that it was unwelcome. (Both of these points would be essential in making a finding of sexual harassment if the private approach did not work.)

If a supervisor knows that a private approach is being chosen, the supervisor should follow up with the complainant, to be sure that the problem has ended.

**B. Informal third-party intervention:** problem-solving includes having a third party go back and forth between A and B, or bring A and B together, to resolve the complaint. The third party could be a designated staff person, an HRM manager, an impartial line supervisor or department head, or other appropriate person. It is important in these

approaches that there should be no adverse administrative action without a process which is fair to the offended person, and to the alleged offender. And the third party go-between should follow up to be sure that the problem has stopped.

**C. Classic Mediation:** problem-solving also includes a process of formal mediation in which A and B voluntarily choose to be helped by an impartial person to find their own settlement. These settlements often are put into writing, and may be on or off the record. Classic mediation has been relatively rare in sexual harassment cases but this option is now becoming more common. Mediation may be especially useful where there are differences in perception, and for cases where statements by the parties constitute the only available evidence.

**D. Generic Approaches:** problem-solving also includes generic approaches which are intended to change the system, or to alert possible offenders to inappropriate professional behavior, in such a way that the alleged problem disappears. For example, a department head might choose to distribute and discuss copies of harassment policy, in order to stop a given problem. Or a department head might encourage harassment training, in such a way as to address and prevent inappropriate behavior. Generic approaches may be effective in stopping unprofessional behavior and help to support the effectiveness of individual approaches. Generic approaches may also prevent similar problems.

#### **Formal options, oriented toward right and wrong:**

**E. Investigation and Adjudication:** a supervisor, department head, human resources manager or other appropriate staff person may investigate and formally dispose of a complaint—or may appoint some other person or committee to do so. This is the option that is oriented toward win/lose—toward assessing "right and wrong." If adverse administrative action may ensue, fairness requires: an investigator who is impartial, notice to the alleged offender, and a reasonable opportunity for the alleged offender to respond to complaints and evidence against him or her.

# Changing Behavior

- 1) Reinforce and reward good behavior which, as it takes place, is inconsistent with, and blocks, the (bad) behavior that you hope will disappear....**
- 2) Reinforce good behavior (role-modeling from senior people, performance reviews, etc.)**
- 3) Punish bad behavior**
- 4) "Name" what is good behavior and bad behavior**
- 5) Ignore bad behavior (and good behavior)**
- 6) Reward bad behavior**
- 7) Alternately reward and punish bad behavior --- this will cast it in concrete forever**

## **How would you know if you are an effective Negotiator?**

Who should decide? Should you decide, or should your supervisor? Your Significant Other?

What about the Other? And what about other stakeholders?

Is it all about outcome? Or process? Or both?

Can you tell right away if you have been effective? Or is it the long run that counts?

Do you have "ethical" and "legal" on your list of required characteristics?

When would collaborative and when would competitive or mixed motive strategies be most effective?

How "wide" an effect do you want to have as a negotiator? Do well on one negotiation? Or improve a whole system?

## NOTES on NEGOTIATIONS 101

**“Negotiations 101”  
begins with a “QUIZ”.**

I give people two minutes to decide which of the items on the list is (or is not) a “negotiation.” After two minutes I ask them to look especially at the last item and I ask aloud: “Is there anyone in the room who has negotiated with him or herself?” Heads nod yes. I ask, “Is it possible to negotiate with yourself?” Again most heads will nod affirmatively.

The answer, of course, is **that all the items on the QUIZ are negotiations.** I will usually say, “As I see it, ALL interactions between two or more points of view are negotiations.” I go on to point out that the **“theory of negotiations covers all interactions—personal and professional—where there are two or more points of view.”**

Often people will raise a hand, “But ...war?” And then they will think. And realize that war is a use of force—in a negotiation.

## FIRST GRAPH

### “There are many possible strategies in negotiation”

I start with the “story of the orange.” There are by the way many stories of the orange, and a delightful role-play called the Ugli Orange—sometimes I tell a fanciful story about a fight over a single orange. In all versions, persons (or teams) A and B are fighting over an orange. Each wants the whole orange. I ask, “You are a third party to this dispute. What will you do to manage the dispute?”

Usually someone will say, “Eat the orange.” And some will say, “Divide it in half.” I produce Graph #1 and point to Avoidance. I will smile at a person who suggests eating the orange, and say that there is a technical definition for the strategy of eating the orange—called Avoidance.

I then point to Compromise and suggest that all over the world this is an essential strategy and widely practiced. Then I will point to Competition (as A will see it) and Accommodation (also as A will see it) and then ask if it is obvious that these two points are reversed for Person B. People will nod.

Then I will point to the dot inside the triangle and ask the significance of the dot.

Sometimes someone will understand that the dot represents a damaged orange... a point where A and B will each get only a bit of the orange. I ask, “Has anyone ever seen a negotiation where that which is at stake gets damaged? The goods or the services or somebody’s reputation?” Usually many people nod. If I have time I will ask for examples. I look for examples that show **INTANGIBLE** loss as well as **TANGIBLE** damage.

I point out that all the points within the triangle represent **INEFFICIENT** solutions—value is left on the table. Not only are these simply win-lose solutions but they also are not cost-effective.

Then we think about the nature of “win-lose.” Is it sometimes a good thing? Is it the best we can do? I ask the class, “How many in the class believe in ‘justice’?” Of course most of us raise our hands, including me. I point out that the diagonal (competition to accommodation) IS the line of justice, as one would find it in court. That is, the winnings of the one represent loss to the other. And I ask rhetorically, “But is this always the best we can do? Can we do better than win-lose, in some cases? ”

## THE SECOND GRAPH

### “Why Does Each Party want what they say they want?”

Often someone in the class will point out that there is another way to help in the dispute about the Orange. The third party might ask each person WHY he or she wants the orange. (If no one in the class notices this possibility I will raise it.)

In our delightful example, the third party asks the interests of each. A says he wants the orange for the peel—to flavor the frosting on a cake with the “zest.” B says she wants the juice—she has a cold and wants to get better. A thus gets all the peel, B all the juice. Each gets all of what he or she wanted. We find a wonderful point on the graph called Collaboration.

I ask how common such a solution is, in real life. People shake their heads, “This is not common, because of scarce resources, scarce time, scarce space.” I ask, “Nevertheless can you give me a common example, where both A and B will tell you that they GET more than they GIVE, in the relationship with each other?” Some people will look puzzled. I ask again, slowly, so that people digest the oddity of the concept—it is possible every day in a relationship to get more than one gives, and two people might both feel this way in the same relationship.

One answer, of course, is the example of a very happy marriage—or a very happy work team—where both parties will say that they get more than they give—every day. How is this possible? Are they deluding themselves? Or is it just the addition of intangibles—happiness in being with the Other?

I will note, at this point in the lecture, that as a young person growing up, I was taught to be collaborative, (whenever I could reasonably behave this way). I thought that I was taught to be collaborative, because collaboration was *morally better*. It was not until I took math that I realized that collaborative solutions—at least those inscribed in the square box outlined inside the north east triangle—are (also) *mathematically better*, in the sense that both A and B are better off than in a win-lose settlement.

Thus, in circumstances where a collaborative solution is appropriate—which is of course not always the case—then a solution in the northeast square is absolutely “better.” And any solution in the northeast triangle adds value to the two-people-taken-together. Our two happy people are not “deluding themselves.”

So how do very happy marriages happen? One answer lies in the lines of the northeast square that define the “box” inside the northeast triangle. Whenever something matters more to A, then B gives in..... whenever something matters more to B, then A gives in. The effect, for both of them, is to feel as if they live on the northeast corner that is marked Collaboration.

Of course, in addition, intangibles do matter. That is respect, affection, trust, friendship, and graciousness add to the tangible value received, and help to push the negotiations to the northeast. **In fact one can almost always add real value to any negotiation, by adding intangibles, especially by “delivering respect.”**

Finally I usually ask, “If I love to cook and my partner loves to clean, and we want to divide the housework 50/50, how should we divide the work? Should we each do half the cooking and half the cleaning?” Usually a class immediately understands that collaboration depends on people valuing things differently, one from the other. So effective collaboration depends on finding out what the Other’s real interests actually are.

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## THE THIRD GRAPH “Cost Control”

Before we leave my adaptation of the two conventional graphs about strategy and style in negotiation, I add a third one. This graph is intended to illustrate the situation where the real interest of one or both of the parties is to injure the other, or to take from another that which they have already. This graph is about cost control.

(The first two graphs focus on division of something of value “on the table” between the parties. The third graph does not require a negotiation of anything on the table, though something may be there to be negotiated.)

The third graph is important as an illustration of a situation where the negotiator or employer may want to prevent damage or costs.

I ask rhetorically, “What sends people west and south, or, worst, to the south west quadrant—in which, in order to inflict damage—I am willing to accept damage myself?”

The class is usually puzzled and concerned. There are of course business reasons to consider going to the southwest quadrant. I might cut prices to drive a competitor out of business, even if I take losses myself. There are also thoughtless, mundane examples of behavior in this quadrant, for example, gossip. (If I gossip, I may hurt the Other, though I will probably hurt myself as well.) And there are terrible examples—homicide/suicide in the workplace.

The reasons for wanting to injure another are of course complex. But, long ago, as a young ombudsman, I asked myself, in the context of workplace disputes, what sends people to formal grievances or to agency complaints or to court or to “drop a dime” on someone? Are there any commonalities?

From observations of thousands of disputes I do have one idea that is germane to the present teaching of negotiations theory—that is, the effect of perceived humiliation. **I believe that perceived humiliation is often *the* parent of destructive behavior—and that it is almost always one of the reasons for destructive behavior.** This point about HUMILIATION is, of course, the flip side of RESPECT.

In sum, one can almost always “add value” in a negotiation, through offering an *intangible*, namely respect. And one can almost always subtract value, or set up a costly and destructive interaction, through causing humiliation, another intangible.

### Interests and Positions

In the Story of the Orange, both A and B said they wanted the orange. In the language of negotiation theory they stated a **position**. In the story, A wanted the peel and B the juice—these are the real **interests** of the disputants.

### Interests, Rights, and Power

The Story of the Orange could have been settled on the basis of **power**—the stronger disputant could have taken the orange. Or the orange dispute could have been settled on the basis of **rights**. Someone could have asked, “Who bought this orange and therefore owns it?” or “Who got the orange yesterday?”

But, as we saw, the dispute could also be settled on the basis of **interests**—by discovering the underlying reasons why each party wanted the orange.

All three bases of dispute settlement are of course useful in real life. Of course one wants to use the mode that is appropriate under the circumstances. In my class I define “ADR”, not as “alternative” dispute resolution but as **appropriate dispute resolution**.

### Tangibles and Intangibles

I often ask the class, “How many of us have bought something from a store where you like the manager or service person, even though the price is higher than somewhere else?” Everyone will raise a hand.

I then point out that there should almost never be a pure win-lose negotiation in ordinary life. One can ALWAYS offer respect. And I review the negative “intangibles”—intimidation, disrespect, and discomfort in a negotiation.

And I add that in my experience most business decisions are based at least in part on intangibles—relationships, trust, pleasure in dealing with certain people.

# Preparing for a Negotiation

Questions to address before and during negotiation

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2. What are their interests?
3. What are the sources of power for each person whose interests are at stake?
4. What are all the possible options?
5. What strategy do I wish to adopt?

# Sources of Power in Negotiations

- ◆ Positional Power or the Power of Legitimate Authority
  - “You do what I say because I’m the boss - that’s why!”
  - “Like it or not - that’s the law.”

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# Sources of Power in Negotiations

## ◆ Rewards

- “He bought his way in...”
- “Do whatever he says - you’ll be glad you did.”

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# Sources of Power in Negotiations

## ◆ Sanctions

- “She said she would just sue me...”
- “If you continue to make these mistakes - at very least it means a demotion.”

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# Sources of Power in Negotiations

## ◆ Force

- “I will get you...and your children, if you continue...”
- “This assignment isn’t safe for a woman - we can’t send you there.”

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# Sources of Power in Negotiations

## ◆ Information

- “He was able to get us the information we needed about what our competition is planning for the next year.”
- “You think you’re being paid fairly? Let me tell you what others are making.”

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# Sources of Power in Negotiations

## ◆ Expertise

- “She is the most important employee here - she is the only person who really knows how the data system works.”
- “I don’t care if there’s a hiring freeze. Get me someone who knows about interoperability.”

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# Sources of Power in Negotiations

## ◆ An Elegant Solution

- “We were completely stymied. He walked in here with a magic wand - he fit together all the pieces of the puzzle and found us a workable answer that helps everyone at least a little and saves face for everyone.”

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- ◆ Charisma - referent authority - moral authority
  - “People would just stop what they were doing and watch him and listen to him and do their best to support whatever he wanted done.”
  - “It was scary. But I got to my feet and said, ‘You must stop this.’ And he did.”

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# Sources of Power in Negotiations

## ◆ Commitment

- “She just never gave up. She camped outside his office night and day until finally he had to listen.”
- “We will go to the mat on this one - let there be no mistake. It’s this or a strike.”

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  - “Friends come and go - enemies accumulate forever.”
  - “I know her and she is the only person I will deal with on this matter.”

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# Sources of Power in Negotiations

- ◆ BATNA - the best alternative to a negotiated agreement
  - “They had all the time in the world and lots of other customers - they did not need us.”
  - “The worst that can happen is that I will just go back where I came from. I might even like that.”

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## Options, Strategies and Uses of Power

	<b>Uses of Power</b>
<b>Strategies</b>	Options

	No Use of Power	BATNA	Commitment	Elegant Solution	Expertise	Force	Information	Legitimate Authority	Moral Authority and Charisma	Relationship	Rewards	Sanction
Accommodation												
Avoidance												
Collaboration												
Compromise												
Competitive												
Mixed-Motive												
Revenge and Self-injury												

# Strategy and Style

Strategy Style	Distributive	Integrative	Mixed Motive
Competitive			
Cooperative			

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## NEGOTIATION AND CONFLICT MANAGEMENT 15.667

**Spring 2001—Mondays 2:30-5:30**  
**Professor Mary Rowe**

Three books for the class are on reserve and at the campus bookstore—these textbooks are classics which may be useful for reference in the future. I assign all of Lewicki, and all of Ury. I assign brief sections of Moore. You can read Moore on reserve—or consider buying the book, if you will often be a “third party”.

- Lewicki, Saunders and Minton, **Essentials of Negotiation**, Irwin (Second Edition). This is a new paperback—not the same text as last year;
- Moore, **The Mediation Process**, Jossey Bass (Second Edition);
- Ury, **Getting Past No: Negotiating with Difficult People**, Bantam.
- Other readings are on sale in the campus copy center, (**15.667 Class Notes**).

If you are interested in “speaking the same language” as others who have had negotiations courses around the world, buy and read all of Fisher and Ury’s little paperback, **Getting to Yes**. (Ury has also just published a controversial paperback, **The Third Side**). If you are interested in the importance of social skills and negotiation skills to business success, buy or borrow Goleman’s **Emotional Intelligence**—and read all of it when you can.

The course is based on: readings, simulations and class discussions, four self- assessments, your analysis of the negotiations of others (known as Separate Pages), writing each week in your journal, and writing three Little Papers. There is no exam. 15.667 meets only eleven times—with a different topic each week—which is why I ask for a commitment that you come to all classes, barring health or family emergencies. (You basically cannot do a “make-up.”) If you do have a personal emergency please let me know?) The course ends a week early on May 7. There is a double class on April 30 with pizza and a guest speaker so the course can end early.

Ethical expectations: You are encouraged to work together with a classmate on any assignment. However, if you are preparing a role, you may only work together with someone else who has the same role.

## Calendar for Written Work

Grades are based 50% on class work and 50% on writing: your Little Papers, the journal and Separate Pages. Please write in your confidential journal and write evaluations of your colleagues every week. I will read your papers, keep them confidential, and return the papers at the next class—**no one else sees them.**

- 1) Feb. 12
- 2) **Tuesday** Feb. 20 Turn in Journal and Separate Pages. This journal requires: your comments on the first class; reading the article in the Class Notes: *Options and Choice*, and doing the attached exercise; scoring and discussing the *Thomas Kilmann* Questionnaire; and writing about the negotiations of a classmate.
- 3) Feb. 26 Little Paper #1 Ethics & Machiavelli. Writing this paper requires taking and scoring two *Questionnaires* found in the Class Notes—see the instructions in the Class Notes.
- 4) Mar. 5
- 5) Mar. 12
- 6) Mar. 19 Turn in Journal and Separate Pages
- Vacation**
- 7) Apr. 2 Little Paper #2 Perceived Injurious Experience. See instructions in the Class Notes for the P.I.E letter.
- 8) Apr. 9
- Vacation**
- 9) Apr. 23 Little Paper #3 Seeing Both Sides of a Dispute. See instructions in the Class Notes for this assignment.
- 10) Apr. 30 **Double Class with Pizza**—Bring a drink? The last Journal is due **after April 30, before May 7**, with Separate Pages.
- 11) May 7 Last class ☺ Last day for journals and Pages.

## **Class one—February 12—Introduction and Course Overview**

**Reading Assignment for February 12:** If you have time, read as much of Essentials of Negotiation as you can—at least read Chapters 1,2,3 and 4 which introduce the book. If you have read the book before, this edition has been revised, so—please read it again? 15.667 will make more sense if you have read these chapters—and there is a lot of writing due the following week.

**Class:** We will discuss topics to be covered in the course, the Journal and the Separate Pages. You should write in the journal every week—see the page above for when written work is due—and write “separate pages,” which are evaluations of the negotiations of classmates. Major concepts in negotiation will be presented. Negotiation simulations begin, to illustrate factors that may affect your choice of strategy and tactics in negotiation.

Thinking ahead about the written assignments for Feb 20.....

**Please write your first journal soon after the first class.** Note the page attached to this syllabus on writing a journal. The first journal should include:

- 1) How did you feel about the class negotiations? Which negotiation strategies do you most naturally follow? Which conditions in a negotiation make you most and least comfortable?
- 2) How do you handle conflicts? Read the Class Notes for February 20—the article “Options and Choice” includes an “*Exercise*” requiring you to observe how you personally handle conflicts, and how other people around you handle conflicts.
- 3) Fill out the *Thomas-Kilmann Questionnaire* found in the Class Notes. There is a triplex answering sheet—developed for this course—which permits you to think about yourself in three different contexts. In other words, you should answer the questionnaire in three ways, e.g. thinking about yourself at home, at work, with a boss or subordinates, etc. You could also copy it and ask a significant other to fill it out about you, if you wish. Please discuss your results on this questionnaire in the journal.
- 4) Include a Separate Page, analyzing and discussing the negotiations or presentation of a classmate. **There are pages at the end of the syllabus with questions that may be useful analysis—and feedback.**

*Monday next week is a holiday. 15.667 meets next week on Tuesday February 20.*

## Class two—February 20—What kind of negotiator am I?

**Read:** “Options and Choice,” Rowe, from Lavinia Hall, Negotiation: Strategies for Mutual Gain, (found in the Class Notes)—the Exercise self-assessment is at the end. Be sure you have read the first four chapters of Essentials of Negotiation.

**Hand in** your journal, which should include the following four assignments:

- 1) The Class Notes reading assignment for today ends with an “*Exercise*” which is your first self-assessment. Write about your conflict management preferences and those of people close to you.
- 2) Score the *Thomas-Kilmann Questionnaire*—the second self-assessment. Please write about your scores in three areas of your life. Some people photo-copy the questionnaire and the answer sheet for a Significant Other before filling it out, either to find out the self-analysis of the Other, or to see how the other person thinks you would answer it, or both.
- 3) Write about the \$2 game: How did you feel about the negotiation conditions, and the tactics you used or observed in the \$2 game? Whose negotiating behavior particularly impressed or irritated you, and why?
- 4) Turn in at least one Separate Page, about the negotiation behavior of someone in the class which you found particularly noteworthy on the first day. There are pages at the end of the syllabus with questions that may be useful in this analysis. The separate page should include the name of the person whose negotiation you are describing. You do not need to sign the page but if you want to write an anonymous page—and also wish me to give you credit for writing a great assessment—then put your name on it with a post-it, and I will remove the post-it before giving the page to the person named. These pages will be sent to all of you after the end of the course. Previous classes have suggested that this feed-back is useful to the recipients of the pages. My first interest, however, is that you should be able to analyze and understand how others negotiate, and how various negotiations strategies and styles affect you.

Case this week: Stratego Aero I. (Please save your copy of the case)

For next week: Please find the *Ethics* and *Machiavelli Questionnaires*, and scoring sheets in the Class Notes, for the assignment due February 26. Pick up your part in Terry and Josephine at Navigational Systems.

## Class three—February 26—Distributive and Mixed Motive Bargaining

**1) Read:** Read Chapter 7, Ethics in Negotiation, in Essentials of Negotiations.

In today's class we are concerned with ethics, and with classic, zero-sum negotiating problems—the gain of one is the loss of the other. Chapter 3—be sure you have read it?—discussed the nature of distributive bargaining.

**2) Hand in: Ethics and Machiavelli Little Paper.** The *Ethics* and *Machiavelli Questionnaires* are the third and fourth self-assessments of this class. You will find the *Ethics* and *Machiavelli Questionnaires*, and scoring sheets, in the Class Notes. If you wish, photo-copy the questionnaires and give a copy to someone who knows you well, to fill out about you and return to you. NB: The Machiavelli Questionnaire is at best quaint and sexist, and there are no right answers. The point is to assess the extent to which you think or act in a way that others might think is “Machiavellian,” and to see if you believe that your thinking and behavior reflect your own values. Please feel free to (re) read The Prince, or recall anything you would like about Machiavelli, as you think about this. Alternatively, just deal with the image of “Machiavellianism” and whether you think it suits you.

Also—please write in your journal and, as usual, please write a separate page about the negotiation of someone in the class (journals are handed in on March 19).

**3) Case:** Prepare your role in the Terry and Josephine case. If you can, prepare together with anyone who is playing the same role as you.

### February 26 Class

**Case:** Terry and Josephine at Navigational Systems. Discussion of the role of power in negotiation.

**Video:** Film clips. Should change be forced (distributively) or fostered (integratively), or is change a mixed motive process that requires both forcing and fostering??

For next week: Pick up your roles for next week in the Hiring/Salary case (Barrister) and the Performance Evaluation case (Gentle Care). Prepare with someone else with the same role if you can.

## **Class four—Mar. 5—Integrative and Mixed-Motive Bargaining**

This week there is a lot of reading, writing and case preparation but nothing to hand in.

- 1) **Read:** Essentials of Negotiations—you should have read through chapter 4—read chapter 5 on communications, and chapter 6 on power and leverage; Fisher & Ury, Getting To Yes, pp. 5-14 and 101-111 in the Class Notes; and the short guidelines in the Class Notes on progressive discipline for unsatisfactory performance. These readings explore the possibilities of win-win and mixed motive solutions, give background on communications in negotiation and lay out a mixed motive protocol if you have to fire someone. (Letting someone go usually should not be “win-lose”).

Optional reading assignment about power: read Orson Scott Card's, Enders Game, Tor, 1977, science fiction, Hugo & Nebula awards. If you are able to read Enders Game, please consider analyzing the story briefly in your journal in terms of negotiations theory. What sources of power are used by the major actors? In real life, what sources of power are available to someone who is young, and to someone who appears to be otherwise much under the control of senior people? Are these sources of power available to you? Attractive to you?

Under the circumstances, was there any alternative strategy available? There are about three dozen very serious armed conflicts underway in the world today. Is the Enders Game strategy inevitable? Is the use of force ethical, according to the ethical standards you hold for yourself?

- 2) **Write:** Write in your journal, (which is due March 19). As usual, please write a separate page about your observations of someone in the class?

- 3) **Cases:** Prepare your role in Barrister, Counselor, Solicitor and Avocat, and your role in The Yearly Review. Please prepare together with anyone who is playing the same role as you.

**Class:** Role-plays: Barrister, Counselor, Solicitor and Avocat, (Hiring/Salary Case); The Yearly Review (Performance Evaluation Case). Discussion of firing an employee.

Pick up copies of the Aggressive Competitive Negotiator and Tax Books cases to prepare for next week. **Choose a partner for next week—the negotiation next week will be two on two.**

## **Class five—March 12—Competitive and Cooperative Styles & Do Gender or Culture Make a Difference?**

### **Reading and Writing and Case Assignment for March 12:**

This week there is yet more reading but at least it is about effectiveness ☺. You might want to read the assignments in order, and read the cross-cultural articles next week if you get bogged down.

1) **Read:** Williams, Gerald, Legal Negotiation and Settlement, pp. 1-69; Menkel-Meadow, Carrie, "Teaching about Gender and Negotiation: Sex, Truths, and Videotape," Negotiation Journal, October 2000. If you will be negotiating with people outside your own culture, please also read the two SMR articles in the Class Notes on "Negotiating with Romans," and Essentials of Negotiations, chapter 8 on global negotiation. If you are especially interested in gender questions, read Deborah Kolb's new book Shadow Negotiations.

Almost all students are interested in Gerald Williams' classic book on effectiveness in each strategy. Williams believes: "**A negotiator's effectiveness is not determined by the pattern he or she follows, (i.e. cooperative vs. competitive) but rather by what he or she does with that pattern.**"

2) **Write:** Write in your journal, plus the "separate page" about the excellent (or otherwise remarkable) negotiation of a classmate.

3) **Cases:** Prepare the Tax Books case with a partner. NB: Please together choose a negotiating style and strategy and tactics that you and your partner will pursue—**see the tactics sheet from Negotiations 101**. Keep your plans secret from the other side, but please tell me in your journals how the planned choice of strategy, style and tactics influences (if at all) your negotiating, and the outcome of the case. See if you are able to figure out which strategy and style the other team adopted? In real life, can you recognize the strategy and style of others?

Please also prepare the Aggressive Competitive Negotiator with your partner. Come up with several suggestions about how you might deal with this ACN.

**Class:** discussion of dealing with an Aggressive Competitive Negotiator, and of the roles of gender and culture in negotiations.

**Case:** Tax Law Books (**negotiated two on two**)

Pick up your role in Telemachus, for next week. Please prepare with someone who has the same role.

## Class six—March 19—Negotiating in Context

### Reading and Writing and Case Assignment for March 19:

1) **Read:** If you did not get to the other chapters of Essentials of Negotiations in the last two weeks, try to read them now please. Also read Goleman, Daniel, Emotional Intelligence, pp. 35-45 and pp. 148-163, found in the Class Notes. This book reviews a lot of evidence that **managerial success depends primarily on social skills**. Please be thinking in all your current negotiations, about the importance of your having a strategy, on the importance of preparing for current negotiations and on converting win-lose to win-win.

2) **Hand in your journal—plus separate pages** about people who have inspired you, or who have done something you find questionable, in class negotiations. The journal—covering classes and readings (and your life?) during the period February 20 up to today—is due today.

3) **Case:** Prepare Telemachus, (but not the Coalition case). Prepare together with anyone who is playing the same role as you in Telemachus. Please pay special attention to the question of choosing a strategy and style and planning your tactics—**again please review the Tactics sheet from Negotiations 101 and review the possible roles Ury describes for a Thirdsider—two pages at the end of N101.**

**Class:** Discussion of negotiation in a team setting and in coalitions.

**Cases:** Telemachus and Coalition

Next Week: Please do the reading for April 2, before you write your P.I.E. letter. Then read the instructions in the Class Notes on how to write a P.I.E. letter. This letter is your Little Paper #2, due on April 2. You may turn this assignment in early if you wish to because you are taking a trip. Please try hard to follow the instructions even if you think they are too rigid?

March 26

**HOLIDAY WEEK**

Optional assignment: Enders Game, as suggested earlier and/or Joan Slonczewski's A Door Into Ocean, Avon, 1986, science fiction, which presents a profoundly different view—from Enders Game—of sources of power in dealing with armed conflict. As with Enders Game, this book may interest you especially in the light of hostilities in many parts of the world. If you do read either or both books, please consider writing in your journal your responses to the questions I asked for Mar. 5, with respect to Enders Game?



## **Class seven—April 2—Origins of Conflict—Dispute Prevention—Delegating Conflict Management to the Disputant**

1) **Read:** Felstiner, Abel & Sarat, "The Emergence and Transformation of Disputes: Naming, Blaming, Claiming..."; Rowe, "Helping People Help Themselves", Negotiation Journal, 1990. These readings discuss how conflicts begin and develop and how they can be handled at the lowest possible level. **The Rowe paper is essential for the second PIE Little Paper.** NB: usually half the class hates the Felstiner, Abel & Sarat article. If you are in that half, please skim it anyway? It is a well-known classic and the article may grow on you if you become interested in dispute prevention at home or at work or if you find yourself dealing with difficult conflicts.

If as a manager you will be handling personnel complaints of any kind, skim the MIT Guide to Dealing with Harassment (<http://web.mit.edu/communications/hg/>) which describes a **systems approach** to complaint-handling with respect to one broad class of workplace issues. See especially the Quick Guide, chapter 3.

Discussions of dispute resolution systems, and discussions of “interests, rights and power” in the context of conflict management, raise serious ethical issues. Is it ethical to resolve criminal matters or public safety issues in an informal (problem-solving) fashion—without an investigation and without disciplinary action? At the other end of the spectrum, is it ethical to deal with conflicts involving free expression through disciplinary action? Through problem-solving? Only through problem-solving?

Do you believe complainants should have options with respect to harassment and discrimination? If so, should complainants *always* have options? When yes, and when no? What options should managers have and when? As you read these materials please ask yourself and tell me—is it possible for a manager to prevent reprisal against a whistleblower or other complainant—or a person who strongly dissents from a position taken by an important person in the workplace?

2) **Write:** in your journal—and look for behavior in a classmate that will inspire a separate page.  
3) **Hand in Little Paper #2:** “Perceived Injurious Experience.” Please try hard to follow the instructions in the Class Notes, even if you think they are too rigid?

**Class:** Videos on complaint handling.

## **Class eight—April 9—Your Employer's Dispute Resolution & Complaint Handling System**

1) **Read:** the excerpt from Cavanagh, Business Dispute Resolution; and Rowe and Bendersky, “Workplace Justice, Zero Tolerance and Zero Barriers.” If you did not have a chance to read the MIT Guide, consider skimming at least chapter 3 for today? It is available on the MIT Web at <http://web.mit.edu/communications/hg/>. Contemporary best practice suggests that employers should not only offer conflict resolution options, but build *integrated* dispute resolution systems. (Was there an integrated system at the place you worked before?) If you will be working in an arena where there are “zero tolerance” policies for illegal behavior, the Rowe article discusses one reason why zero tolerance policies are problematic unless embedded in an integrated system.

2) **Write:** your journal and, if possible, a separate page. If you read or skimmed the MIT Guide consider writing a paragraph of critique or commentary. Read the questions posed for last week and answer them?

**Class:** Case examples and discussion

Preparing for next week: Read the instructions (in the Class Notes) for Little Paper #3, “Seeing Both Sides of a Dispute”, due April 23.

Pick up Stratego Aero II. Check to see that you still have Stratego Aero I. You will need both I and II to prepare for next week.

Before you leave class **please arrange to prepare together with one or more people** playing the same role as you in the mediation next week. Preparing for any important negotiation is probably the most important skill in negotiations. It is especially vital if you are going into a mediation in any role. You will find the Moore readings useful, so try to do the readings for next week before you meet with a colleague who has the same role. See also the Moore chart found toward the end of N 101.

April 16

***HOLIDAY WEEK***

Optional assignment: rent the video “The Return of Martin Guerre.” The question is, whom can you believe? Is it possible to tell if someone is lying? If so—how will you do it as a manager? If not—how will you manage?

## Class nine—April 23—Conciliation and Mediation

1) **Read:** Moore, "How Mediation Works," pp. 41-77, and "Designing a Plan for Mediation" and "Building Trust and Cooperation," pp. 141-192. If you did not buy this text you may find copies on Reserve. These readings lay out elements of strategy, tactics, and process for non-adjudicatory, third party intervention. **In your next job you will almost certainly have to function as a third party intermediary.** You may also be helping colleagues and bosses, and you may be supervising subordinates, as they mediate informally or formally. You are also very likely to be engaged in mediation on behalf of your employer, since so many companies are now switching over to using internal and external mediation in at least some employment and contract disputes. So—read as much of this book as you can.

If you are not interested, you may find the book dry and too thorough. In this case, skim whatever you can stand of it and remember this book next year as soon as you need to know the material, because you will find everything here.

If you are too totally swamped to read *anything*, then study the **Moore chart** found at the end of N101 and then apply it to Stratego I and II to prepare for the mediation.

- 2) **Write:** Write in your journal and—if possible—a separate page.
- 3) **Hand in:** Little Paper #3: Seeing Both Sides of a Dispute (instructions are in the Class Notes)
- 4) **Case:** Prepare Stratego Aero II. To do so, you should have re-read Stratego Aero I as well as your Stratego II Secret Instructions. Prepare together with someone who is playing the same role as you and please prepare carefully. Otherwise you will mess up your colleagues' role-playing, and they will write me fierce notes about requiring people to prepare better.

**Case in class:** Stratego Aero II, (the mediation case) and discussion.

Pick up cases for next week. These cases are somewhat controversial. Can you find a classmate, *or someone else quite different from you*, to read the cases together with you, and help prepare for the class discussion?

**Remember the double class next week 2:30-8:30 with pizza.**

**DOUBLE Class—April 30 – Investigation, Arbitration  
& Exceptionally Difficult People**

- 1) **Read:** Read Lewicki, chapter 9, and the Halliburton “Dispute Resolution Program”. These readings illuminate dealing with difficult situations, and third party intervention. The Halliburton program is a benchmark example of an integrated system with the option of outside arbitration. It is now seen as best practice—with one big shortcoming in my view—namely, “imposed” arbitration. (Are you willing to sign away your ability to sue your employer as a condition of employment?)
- 2) Read Fein, Vossekuil and Holden, Threat Assessment (taking a systems approach to targeted violence) as preparation for the evening presentation.
- 3) **Write:** in your journal—and try for a separate page? By now you are totally exhausted with the semester, but the colleagues you write about will (probably) be grateful—and you need all the practice you can get in evaluating Others.

**The last journal (covering the period March 19 through April 30) and separate pages, are due after this class, any time later this week.**

- 3) **Cases:** Please prepare to discuss the cases. If you possibly can, prepare by asking people outside the class—preferably ask someone who is not of your own background—what should happen in any of these cases. There is no role-play preparation.

**Class:** Certified Public Accountants, Inc. (Theft); Discussion of cases distributed in class (drugs, whistleblowers, and a convicted employee).

**Evening Discussion** of violence and the fear of violence in the work place, with Dr. Robert Fein, forensic psychologist.

This week is a **double class with pizza**—2:30-8:30pm. Wear something comfortable and bring something to drink? If you would like to bring your significant other to the evening lecture, please let me know so I can order enough pizza? If you have any dietary restrictions please let me know—we can sometimes make appropriate provision.

**Class eleven—May 7—More Negotiating with Difficult People**

- 1) **Read:** The third text for the course: Ury, Getting Past No: Negotiating with Difficult People. My recommendation is that you read the whole book—it is short and easy to read, and arguably one of the two or three best books of its type in negotiations. Read also Levinson, "The Abrasive Personality." These readings suggest ideas and modes that you may find helpful if you know anyone who is a difficult person.

The Ury book can be remarkably helpful if you can get both parties to a dispute—two of your colleagues, for example—to read it. By the same token, if you know an abrasive person, the Levinson article may be useful—and usually not offensive—to such a person. (*Abrasive personalities usually do not see themselves as abrasive and are therefore sometimes very interested, if puzzled, to see the main elements of what other people see as abrasiveness spelled out.*)

**Optional—if you have time:** Ekman and Smoller, "Who Can Catch a Liar?" from American Psychologist, September, 1991—this article got a lot of attention during the Clarence Thomas Hearings; and Smoller, "The Etiology of Childhood." This last article illuminates the point that "things are not necessarily what they seem"☺.

- 2) **Hand in:** Your journal (covering the period since March 19) and separate pages are due today if you did not send them in during this past week.

Class: More discussion of difficult people and excerpts from a movie.

### Analyzing the Negotiations of the Other Negotiator

Did the Other appear interested in your interests? In your possible sources of power? Did the Other appear to listen effectively? (Note examples if you like.)

Did the Other appear to you to know his or her *own* interests? If so, to what extent were they clearly presented to you?

Did the Other appear to have a consistent strategy? What was the style of the Other? Which sources of power did you feel the Other was using?

Was the Other prepared on the facts, as far as you can tell? Did the other appear to be negotiating appropriately within the implicit or explicit "rules of the game" (or the laws of the land/company policy, etc.)?

What tactics did the Other use (refer to the Tactics sheet in Negotiations 101)? In particular, was there any shared development of *options*? Of *principles* to decide any given point in dispute? If there were *concessions* were they reciprocal? Did the Other exhibit any especially effective or ineffective tactic? Would this—in your opinion—have been effective or ineffective with others than yourself?

Did you feel respect or disrespect from the Other? How did you feel that the Other responded to your own strategy, tactics, uses of power, successes or errors?

Overall—how do you feel about the process? And about the outcome? Would you trust the Other with an important negotiation of your own?

### Giving Feedback to the Other Negotiator

You may want to comment on all of the points above. Or you might want to elaborate on one or a few.

Effective feedback is specific and factual. It uses examples. It is couched in "I statements" ("*I thought that you...*" rather than "*You did this...*"). It emphasizes the positive and/or the future, where at all appropriate. It is always civil and respectful—with the intention to bring the Other to one's side rather than making the Other defensive. (In general it is not useful to speculate on the motives of the Other unless you need to for a very unusual reason such as feedback in this class.) Wry or humorous feedback often works very well where the mode of humor is self-deprecatory or at least clearly not sarcastic or offering ridicule to the Other.

As you use this worksheet, you will obviously be thinking about your own negotiating. Please in specific think about which tactics and sources of power work best for you? To which are you personally the most vulnerable?

### Observing the Negotiations of Others as a Third Party

Did A or B's opening statements reveal any true interests?

Did A or B share relevant information?

What sources of power did each party appear to *have*?

What sources of power did each party appear to *use*?

Did either party use commitment tactics?

Did either party try to exploit weaknesses of the other?

What bargaining *style* did the parties exhibit: accommodative, competitive, compromising, avoiding, collaborative, or mixed?

What *strategy* was each party using? (distributive, integrative, mixed motive)

What tactics of either party were especially noteworthy?

Did either party seek to understand and respect the interests of the other?

Did either party help to develop new options?

Did either party participate in the creation of a face-saving solution?

Did either party emphasize the relationship as much as the settlement?

Subjectively speaking, do you trust either A or B?

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## DRAFTING A LITTLE PAPER

### ON A

### PERCEIVED INJURIOUS EXPERIENCE

This assignment is to write a letter to a person who has offended you. Try to think of a real or imagined incident, in personal life or work life, where you will write a letter to a person who, as you perceive it, has "injured" you. (Please do not actually send this letter without further discussion.) In real life, drafting such a letter may mainly serve to help you (or someone you are counselling) to organize thoughts about how next to proceed. (In real life probably half the people who draft such a letter decide simply to go talk with the offending person.)

The purposes of a PIE letter are several:

1. To illustrate that each person can deal effectively, on his or her own, with many offenses, (at least in the context of North American society);
2. To illuminate how complaints and grievances sometimes arise from differences in values and in perceptions, as contrasted with different understandings of fact;
3. To show that it may help to communicate directly with an offender, especially where a PIE arises from differences in perceptions and values;
4. To teach the fact that communications will go better where facts are separated from opinions, judgments and feelings; where statements which could appear to be opinions are labelled as such; and where the offended person can offer a sensible solution. These points make each sentence in a perfectly drafted PIE letter more difficult for the offender to refute, and the letter more likely to be successful;
5. To show that there are powerful ways to resolve disputes without direct third party intervention and without endangering the privacy or rights of the offender.... and that a prepared address by an offended person (in writing or in person) may permit an offended person more control over his or her life.
6. To teach the preparation of such a statement for use in pursuing another dispute resolution option if desired;



7. To illustrate a method that may help an injured person to deal with his or her feelings and the disruption in that person's life.

Please read "Drafting — and Perhaps Sending — a Private Letter to a Person Who Has Harassed or Offended You." There are many good ways to write a letter; for the purposes of this assignment, please follow the suggestions provided.

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## DRAFTING—AND PERHAPS SENDING—A PRIVATE LETTER TO A PERSON WHO HAS HARASSED OR OFFENDED YOU

If someone has offended you, you may wish to draft a letter to that person. There are many reasons to do this. If you have been very upset, drafting a letter—or writing several drafts of a letter—may make it easier for you to deal with the rage, grief or confusion. You may also find it easier to deal with your feelings and with the offense if you first sort out the facts from your feelings. It will also be easier to choose an effective option for dealing with the offense if you first collect the facts and think clearly about any damage you have suffered because of the offense. In fact drafting a letter to someone who has offended you is perhaps the best possible preparation for all the major options open to you for dealing with the offense: approaching the offender directly, in person or on paper, seeking informal third party intervention, formal mediation, formal grievance or legal suit, and efforts to deal with the individual offense “generically.” It will also make it a little more comfortable to postpone or forgo action if you decide for any reason that you should or must do this, because you will have collected the evidence together in case you change your mind. If you are not at all sure what you want to do with respect to the offense, you may find it is suddenly much easier to decide after you write a number of drafts of a letter. And it costs nothing in terms of privacy or money.

Writing a final draft of this letter may take a little time. If you have been hurt, if you feel very angry, if you are at all afraid, you may find you need to write several drafts. Do not be worried if your first draft is a messy stream-of-consciousness, and do not worry about the tone of your early drafts. In fact the more upset you are, the more worthwhile it is actually to write drafts of a letter. People who have used this method suggest that writing may help to “get the anger outside yourself,” and that it helps one to remember the facts. In addition, in case you send the letter, your last (polite, civil, factual) draft will be more effective if early drafts have helped you deal with your feelings.

As you decide whether to send the letter, you may worry whether a direct approach to the offender will cause that person to retaliate. This is an important question to consider, but in North American society a well-prepared, direct approach to an offender may actually be the option least likely to result in retaliation. Remember that most people in this culture would rather hear about a problem directly, and not from a third party.

If you send the letter you should keep a copy; this is likely to help in dealing with the problem if there should be retaliation or if the offense recurs. Letters like this help to build evidence. You may not be able to prove that the offense took place. But if you send a letter you can prove that you *thought* the offense took place and that you took a civil, responsible, private action to get the offense to stop.

A letter can be used by anyone who feels unreasonably offended, intimidated or harassed. It is particularly useful where people's backgrounds are different. For example energetic managers may offend older people, with allusions to age, without really understanding the offense. Ethnic slurs, anti-Semitism, anti-gay jokes, poking fun at the disabled, racist behavior and sexual harassment are all problems where a letter may help. Letters have been effectively used by non-technical people who feel that “the computniks are sneering at them” and vice versa; so also with smokers vs. non-smokers. A letter may help you to deal with the garage that messed up your car. (A letter may also be a useful *response* to someone who has written you a letter of complaint).

I do not recommend a “form” letter. Sometimes a brief note is better among friends. Whatever the case, the letter should fit the particular situation exactly.

I do recommend three parts to a note or letter. The first is an objective statement of "the facts as I perceive them." No feelings, judgments or opinions belong in this section. (This section may be hard to write even after many drafts. If you plan to send the letter consider asking some trustworthy person to help you get the first section down to just facts. One test for a "fact" is whether it could have been recorded on audio tape or video tape). In serious cases it will help for this section to be quite long and very detailed. It must be scrupulously accurate, to be effective (and fair). The first section should not use euphemisms. It should be very matter of fact. If you are not sure whether a statement is factual, and want to include it, then say "I believe (this happened)"; "I think (this was the case)."

The second section is for opinions and feelings. "This is how the facts as I know them make me feel." This is the appropriate place for a statement of damages if any, "I feel I can no longer work with you;" "I was not able to work effectively for the following two weeks...."; "I felt terrible about what you did.....".

Finally you should state clearly what you think should happen next, and, if appropriate, you can ask for a specific remedy. "I ask that our relationship be on a purely professional basis from now on." "I want a chance to go over my work with you again and to reconsider my evaluation (grade)." "Since I was unable to go on this sales trip because of your behavior, I want immediate assignment to the next trip." Sometimes you might wish to request a sum of money, if that is an appropriate remedy.

Many people ask if a letter really should be the first or the only attempt to deal with offensive behavior, and of course the answer is that this depends on the people and the problem, and it depends what you want out of the situation. Criminal acts may better be brought to the attention of supervisors and/or the courts. Those routes might also be the best if you believe "that the offender should pay for what he or she did". At the other end of the spectrum you might wish to write a letter, and then not send it. (You could also consider forgetting the incident in the spirit of tolerance of diversity.) Also, many people prefer to try talking with an offender before sending a letter, and there are many ways to do this effectively. Or you can talk with the offender after giving the letter to him or her.

A letter may be an especially effective choice when verbal remonstrance has been ignored. It can be especially useful with sexual harassment, with offenders who believe that "no" means "maybe" or "yes". A letter may work well in situations where an offender seems to have no idea of the pain being caused, that is, for people who "just don't get it". Writing a letter may be particularly helpful when an offended person fears to come forward because she or he lacks conclusive proof of the offense, or where the offended person wishes to avoid the situation of "his word against mine." Letters are useful beyond the hope of stopping offensive behavior; they provide more evidence for management or a court to take action if necessary, in part because they provide evidence of the "unwelcomeness" of the behavior that offended you. Letters are especially effective in dealing with very powerful people where a junior person otherwise has little leverage or fears retaliation. Writing a letter may provide hope of ending harassment when you wish to avoid public exposure, and to protect your privacy, if, for example, "all you want is for the harassment to stop."

Letters are especially useful where a school or corporation has well-drafted policies against (all forms of) harassment. They work best where there are responsible grievance counselors to help in sorting out alternatives and in drafting letters. They may however be written anywhere by any responsible person seeking in an orderly way to stop offensive behavior. A letter may be a good choice when you particularly wish to be scrupulously fair, (because no supervisor need see the letter). And letters often work well in union situations, for example, worker with co-worker.

Once the letter is written, your actually sending the letter to an offender should be carefully weighed against other alternatives. As you think about this remember that once the letter is sent, that copy belongs to the recipient, who then has control over it. The recipient may tell other people, and may write

you back to “set the record straight.” Should you instead send a formal complaint letter to a supervisor? Should you now go talk with a trusted colleague or personal or legal counsellor? Or with a women's group or a spouse? Sending a letter is an option that is likely to protect your privacy, to avoid retaliation, to get the harassment stopped, and to provide you with more evidence if needed. But it is not certain to work and you will want to consider other options carefully.

If you want your letter to be a private communication, I usually do not recommend sending copies to other people, since they may decide to act on the matter. If you have decided to bring a formal complaint, then revise your letter as a grievance, and address it to the department head or higher supervisor of the offender (or to another appropriate person). Either way, be sure to keep the letter and proof that you sent it, (the statement of a friend who watched you deliver it, a registration receipt, or whatever made sense for this letter). These proofs may be needed for evidence.

[WWW.BSSVE.IN](http://WWW.BSSVE.IN)

**Ideas about the Little Paper on Ethics and Machiavellianism**

- Be sure you pick up both Questionnaires: Ethics and Machiavelli.
- Pick up the scoring sheets.
- Fill out the two Questionnaires and locate yourself with respect to ethical and Machiavellian questions. I am not so interested in your score, but in how you think about these questions as you negotiate in your professional (and personal) life, and your own reaction to your score. So the Little Paper should tell something about how you think about ethics in negotiations, and whether you find yourself more or less “Machiavellian” than you thought.
- You may talk with anyone about these Questionnaires and your reactions to them. If you wish to, please talk with close friends and family about the questions. Some students have xeroxed clean copies to ask their Significant Others to fill them out as they think (you) would do.
- If these questions have religious significance for you, please use these two weeks to discuss questions with appropriate colleagues and clergy and family? Feel free to make a phone call to get your company's or professional association's Code of Ethics.
- Have you been thinking about these questions as you negotiate at school? At home? At work? Do you think your moral values will constrain success at negotiations? Enhance it? Is this the same or different for your situation at work or at home?
- Length of Little Paper: Like all teachers, my major advice is: "please cover the subject." Most students write 2-10 pp. If this subject is important to you and you think writing just one Little Paper is absurd, then pick up on the topic in your journal?

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## **LITTLE PAPER**

### **How Did These People Get Into This Dispute?**

The purpose of this Little Paper is to write about how each of the parties to a dispute got to the position in which we find them.

You may use any dispute you wish to choose, but please pick one with sharply differing points of view. Students sometimes pick topics like smoking/no smoking disputes, a dispute about academic credit, or rights within the family, or sharp conflicts in the workplace. If you have no better idea you are welcome to use "Joe and Josephine".

If you choose a different dispute than "Joe and Josephine" please first tell me briefly the presenting situation, as a manager or other third party might perceive it. For example, "I came into the office and found Ashley and Jody yelling at each other about...." Wherever you come from, please feel free to describe a dispute that could occur in your own country. If you write up your own dispute, please choose one with two (or more) quite different points of view.

Now, your mission. Your mission, if you are willing to undertake it, is to write a page or two about how each character got where he or she is. What is each thinking? What are the values and feelings and perceptions of each of these people? How did this situation arise? Your characters do not need to be people you would personally respect, but most people most of the time are doing the best they can, so tell me if you will, how these people see their own situation, in their own terms.

The purpose of this paper is more practice in being able to "be" another person than yourself, briefly — to be able to understand the interests of the Other in order to be able to predict what the Other will want and do next.