BBA-609

COUNSELLING AND NEGOTIATION

DIRECTORATE OF DISTANCE EDUCATION

SWAMI VIVEKANAND
SUBHARTI UNIVERSITY
Meerut (National Capital Region Delhi)

Contents

UNIT 1: INTRODUCTION TO NEGOTIATION 1–83

1.1 Learning Objectives 2
1.2 Introduction 2
1.3 Definition and Scope of Negotiation 4
1.4 The Prevalence of Negotiation 4
1.5 Alternatives to Negotiation 7
1.6 Negotiating Conflicts 8
1.7 Need and Importance of Negotiation 9
1.8 Preconditions for Negotiations 10
1.9 Elements of Negotiation 11
1.10 Assumptions in Negotiation 12
1.11 Game Plan 12
1.12 Distributive Negotiation 17
1.13 The Bargaining Zone and the Negotiation Dance 18
1.14 The Most Commonly Bothering Questions 21
1.15 Finding Ways to Abandon a Committed Position 22
1.16 Closing the Deal 23
1.17 Integrative Negotiation 26
1.18 Negotiation Process and Preparation 36
1.19 Invitation to Negotiation 39
1.20 Bargaining 40
1.21 Negotiation Process 42
1.22 Non-linear Negotiating Process 46
1.23 Negotiation Skills 48
1.24 Classic Distributive Bargaining Situation 49
1.25 Opening Offers 49
1.26 Bracketing 53
1.27 The Role of Norms 55
1.28 Final Negotiated Price 64
1.29 The Integrative Negotiation Process 67
1.30 Thompson's Pyramid Model 69
1.31 The Categorization Method 70
1.32 Keys to Successful Integrative Bargaining 73

1.33 Collaborative Atmosphere 74
1.34 Packaging the Issues 75
1.35 Interest-based Bargaining (IBB) 75
1.36 Summary 80
1.37 Keywords 81
1.38 Review Questions 82
1.39 Further Readings 83

UNIT 2: NEGOTIATION SUB PROCESS **84–161**

2.1 Learning Objectives 85
2.2 Introduction 86
2.3 Why is Power Important to Negotiators? 87
2.4 Power of Motivation 87
2.5 Use of Power in Negotiation 90
2.6 Dealing with others who have more Power 93
2.7 Four Major Negotiation Styles 94
2.8 Choosing the Appropriate Style 96
2.9 Steps for Resolving Conflict 97
2.10 Alternative Styles 97
2.11 Strategies and Techniques of Negotiation 98
2.12 Conflict Management Strategies and Techniques 100
2.13 Social Perception 101
2.14 Importance of Perception 102
2.15 Role of Perception in Attitude Formation 104
2.16 Personality 111
2.17 Application of Personality Theory in Organizations: The Meyers Brings Type Indicator Instrument 111
2.18 Five Keys to Effective Supervisory Communication 115
2.19 Barriers and Gateways to Communication 116
2.20 Defensive and Non-defensive Communication 117
2.21 Positive, Healthy Communication 118
2.22 ABC Model of Attitude 119
2.23 Job Satisfaction and Organizational Commitment 120
2.24 What is Stress? 124
2.25 The Stress Response 128
2.26 Non-work Demands 129
2.27 Stress-strain Relationships 129
2.28 Consequences of Stress 130

2.29 Organizational Distress 131
2.30 Motivation 131
2.31 McClelland's Need Theory 136
2.32 Herzberg's Two-factor Theory 137
2.33 The Concept of Power 137
2.34 Political Behavior Leadership in Organizations 140
2.35 Principles of Persuasion 141
2.36 Third Party Intervention 144
2.37 Eustress and Distress 145
2.38 Leveraging Power from Your BATNA 146
2.39 Boosting Your BATNA 149
2.40 The Power of Leverage 150
2.41 Sources of Power 151
2.42 Personal Power 152
2.43 Leveraging Power through Persuasion 153
2.44 Origins of Ethos, Pathos, Logos 154
2.45 Empathy-based Persuasive Techniques 156
2.46 Mirror-based Persuasive Techniques 156
2.47 Tools for Persuasive Communication 157
2.48 Persuasion through Process 158
2.49 Leveraging Power through Pressure Tactics 158
2.50 Summary 158
2.51 Keywords 159
2.52 Review Questions 160
2.53 Further Readings 161

UNIT 3: COUNSELLING **162–202**
3.1 Learning Objectives 162
3.2 Introduction 163
3.3 Definition of Counselling 164
3.4 Hallmarks of a Counsellor 166
3.5 Characteristics of a Counsellor 167
3.6 Counselling in the Indian Context 175
3.7 Changing India and Role of the Counsellor 180
3.8 Counselling Approaches 181
3.9 Primal Psychotherapy 182
3.10 Brief Therapies 183
3.11 Eclectic Approach 184

3.12 Counselling Therapies 184
3.13 Counselling in India: Its Relevance and Suitability 186
3.14 The Process of Counselling 188
3.15 Factors Influencing Counselling Process 198
3.16 Summary 200
3.17 Keywords 201
3.18 Review Questions 202
3.19 Further Readings 202

UNIT 4: CONFLICT MANAGEMENT **203–232**
4.1 Learning Objectives 203
4.2 Introduction 204
4.3 Conflict is Everywhere 205
4.4 Different Thoughts on Conflict 207
4.5 Constructive and Destructive Conflict 210
4.6 Chaos and Complexity Theories 212
4.7 Systems Approach to Conflict Diagnosis 216
4.8 Resolving Conflict through Negotiation 218
4.9 Effective Strategies for Managing Human Conflict 221
4.10 Change Leading to Conflict 221
4.11 Common Manifestation of Conflict 222
4.12 Functional and Dysfunctional Aspects of Conflict 223
4.13 Levels of Conflict 225
4.14 Conflict Continuum 226
4.15 Power Continuum 228
4.16 Summary 230
4.17 Keywords 231
4.18 Review Questions 231
4.19 Further Readings 232

UNIT 5: CULTURE AND GENDER ON NEGOTIATION **233–264**
5.1 Learning Objectives 233
5.2 Introduction 234
5.3 Negotiating 234
5.4 Culture and Negotiation 236
5.5 Culture Influences Negotiations 237
5.6 Affect of International Cultural Differences on Negotiations 238
5.7 The Role of Gender in Negotiation 239
5.8 Seven Elements of Effective Negotiations 247

5.9 Ethics 250
5.10 Nature and Value of Management Ethics 251
5.11 Four Perspectives on Ethics 252
5.12 Child Labour 254
5.13 Applying Ethical Reasoning to Negotiation 256
5.14 Ethics versus Prudence versus Practicality versus Legality 256
5.15 The Consequences of Unethical Conduct 257
5.16 Cross-cultural Ethical Issues 259
5.17 Resolving Ethical Issue 259
5.18 Ethics as a Competitive Advantage in Global Business 260
5.19 Implications for Managers 261
5.20 Ethics in Negotiations 262
5.21 Summary 263
5.22 Keywords 263
5.23 Review Questions 264
5.24 Further Readings 264

Syllabus

Counselling and Negotiation

Course Code: BBA 609		
Course Credit: 5+1	Lecture: 04	Tutorial: 1
Course Type:	DSE	
Lectures delivered:	40L+20T	

End Semester Examination System

Maximum Marks Allotted	Minimum Pass Marks	Time Allowed
70	28	3 Hrs

Continuous Comprehensive Assessment (CCA) Pattern

Minor Tests(marks)	Assignment/ Tutorial/ Presentation	Attendance	Total
10	10	10	30

OBJECTIVE: The objective of this course is to provide knowledge of concepts and issues of negotiation counselling and conflict such that to equip the students with valuable skills, techniques and strategies in counselling.

UNIT	Content	Hours
I	**Negotiation:** Nature, Characteristics, Strategy and Tactics of Distributive Bargaining, Strategy and Tactics of Integrative Negotiation; Strategy and Planning for Negotiation.	10
II	**Negotiation Sub processes**: Perception, Cognition and Emotion **Communication:** What is communicated during negotiation and how people communicate in Negotiation, BATNA.	12
III	**Emergence and Growth of Counselling:** Factors contributing to the emergence, Approaches to Counselling: Behaviouristic, Humanistic Approaches and Rogers Self Theory Counselling Process: Steps in Counselling Process. Modern Trends in Counselling.	13
IV	**Conflict:** Meaning and Source of Conflict, Types of conflict, patterns, levels and traditional and modern approaches to conflict; Functional and dysfunctional conflicts; Conflict Process	13
V	**The influence of culture and gender on negotiations**: Understanding cultural differences in negotiation, GLOBE study on cultural dimensions, Gender issues in negotiations; role of cross-cultural differences in Negotiations; Seven pillars to negotiation.	12

Learning Outcome: After completion of course student will be able to:

1. Understanding the central concepts of negotiation and conflict.
2. Providing experience in the negotiation and conflict management process.
3. Effectively diagnosing and planning for different types of negotiation situations.
4. Developing negotiating skills and confidence in a variety of contexts.

5. Apply complex theory and practice of negotiation in particular and conflict resolution in general.
6. Identify the personal challenges we all have in dealing with negotiation and conflict resolution.
7. Explore how to positively interact with others.

References: Books:

1. Lewicki, Saunders & Barry - Negotiation (Tata McGraw Hill, 5th Ed.)
2. B.D. Singh - Negotiation Made Simple (Excel Books, 1st Ed.)
3. Rao S N - Counseling and Guidance (Tata McGraw Hill, 2nd Ed.)
4. Singh Kavita - Counselling Skills for Managers (PHI, 1st Ed.)
5. Welfel, Patternson - The Counselling Process, A Multi theoretical Integrative Approach. (Thomson India, 6th Ed.)
6. Pareek Udai - Understanding Organisational Behaviour (Oxford).
7. Cohen, S. Negotiating Skills for Managers. McGraw Hill Professional

Websites:
http://www.skillsyouneed.com/ips/negotiation.html
http://www.skillsyouneed.com/ips/conflict-resolution.html

UNIT–1

Introduction to Negotiation

(Structure)

1.1 Learning Objectives
1.2 Introduction
1.3 Definition and Scope of Negotiation
1.4 The Prevalence of Negotiation
1.5 Alternatives to Negotiation
1.6 Negotiating Conflicts
1.7 Need and Importance of Negotiation
1.8 Preconditions for Negotiations
1.9 Elements of Negotiation
1.10 Assumptions in Negotiation
1.11 Game Plan
1.12 Distributive Negotiation
1.13 The Bargaining Zone and the Negotiation Dance
1.14 The Most Commonly Bothering Questions
1.15 Finding Ways to Abandon a Committed Position
1.16 Closing the Deal
1.17 Integrative Negotiation
1.18 Negotiation Process and Preparation
1.19 Invitation to Negotiation
1.20 Bargaining
1.21 Negotiation Process
1.22 Non-linear Negotiating Process
1.23 Negotiation Skills
1.24 Classic Distributive Bargaining Situation
1.25 Opening Offers
1.26 Bracketing
1.27 The Role of Norms
1.28 Final Negotiated Price

Notes

1.29 The Integrative Negotiation Process
1.30 Thompson's Pyramid Model
1.31 The Categorization Method
1.32 Keys to Successful Integrative Bargaining
1.33 Collaborative Atmosphere
1.34 Packaging the Issues
1.35 Interest-based Bargaining (IBB)
1.36 Summary
1.37 Keywords
1.38 Review Questions
1.39 Further Readings

1.1 Learning Objectives

After studying the chapter, students will be able to:

- Define the meaning of negotiation;
- Discuss about prevalence of negotiation;
- Know about negotiation conflict;
- Explain the need and importance of negotiation;
- Describe the planning for negotiation;
- Define the distributive negotiation;
- Discuss about integrative negotiation;
- Explain the negotiation process and preparation;
- Define and explain the meaning of distributive bargaining;
- Discuss about negotiation skills; .
- Study the characteristics of classical distributive bargaining situation;
- Describe about bracketing;
- Define and explain integrative bargaining;
- Discuss the importance of thompsons model;
- State the characteristics of interest based bargaining;
- Discuss about the categorization method.

1.2 Introduction

Negotiation is process of adjusting both parties' views of their ideal outcomes to an attainable outcome.

In journey of our lives, we negotiate at every step to achieve success both in our personal and professional lives. People negotiate in their personal life (e.g., with their spouses, children, school teachers, neighbours) as well as in their business life. Thus, the scope of negotiation ranges from one-on-one to highly complex multi-party and multi-nation interactions. In the business world, people negotiate at multiple levels and contexts – within departmental or business units, between departments, companies, and even across industries. For this reason, managers must understand enough about negotiations to be effective negotiating within, between, and up and across all of these business environments.

Why is it necessary for all negotiators to be prepared to use and/or respond to distributive bargaining tactics? The basic reason is that, for many novice as well as some experienced negotiators, distributive bargaining is the heart of negotiation. For them, the word negotiation brings to mind the classic car-buying situation: a single-deal negotiation in which only one issue (price) is key, and both sides view the transaction as a zero-sum game. Thus, many negotiators will view any situation as distributive and therefore will use distributive strategies and tactics, even though it may not best serve their long-term interests. In general, the distributive bargaining model is identified by three components: (1) the parties involved view each other as adversaries; (2) the objective of both parties is to maximize their self-interest or their "share of the pie"; and (3) they are only concerned about the current negotiation, interacting with each other as though they have no past relationship and expect no future relationship—and thus are willing to use tactics they might not use if they had a continuing relationship. It is important to recognize, however, that sometimes the parties do have a past and a future relationship—as in labor–management contract negotiations—but they use the distributive model in spite of this fact and bargain strictly as adversaries, trying to get a maximum "share of the pie," seemingly unmindful that in later months or years they may suffer from the retaliatory tactics of the other party, who has been waiting to "even the score."

The integrative bargaining technique, like the distributive technique, was largely developed within the field of collective bargaining and labor negotiations in the 1970s. Since then it has evolved into a very popular method of negotiations. Integrative bargaining is a cooperative approach to negotiation or conflict resolution. It is often referred to as a win-win or mutual gains approach. Unfortunately the term win-win today is so popular that has become a cliché and is used to refer to any collaborative process. The integrative approach, like distributive bargaining, involves making concessions to reach an agreement—but in addition, it involves searching for mutually profitable options and logical trade-offs. It is also called an expanded-pie approach (in comparison to the distributive fixed-pie approach) because negotiators search for better proposals than the obvious ones that meet only their own interests. Integrative techniques include a clear understanding of the issues, open sharing of information, and the joint exploration of solutions that benefit both parties. In an integrative bargaining process the parties generally co-operate to achieve maximum total benefit of the final agreement while also competing to divide the value of the package.

1.3 Definition and Scope of Negotiation

In this unit, we use the following working definition of negotiation: Negotiation is an interpersonal decision-making process necessary whenever we cannot achieve our objectives single-handedly. Negotiations not only include the one-on-one business meeting, but also multi party, multi-company, and multimillion-dollar deals. Whether simple or complex, negotiations boil down to people, communication, and influence. Even the most complex of business deal scan be broken down to a system of one-on-one relationships.

Somehow the term 'Collective Bargaining' and 'Negotiation' have been often used synonymously. It would be more logical and meaningful to consider negotiations as part of collective bargaining. 'Collective Bargaining' refers in the structural and/or institutional arrangement Relations and also covers the parties, goals, environments, and contents as well as the process often used for resolving the conflict of interest between the management and unions. Whereas the negotiation processes has been described by Walton and Mc Kersieas "the deliberate interaction of two or more complex social units which are attempting to define or redefine the terms of their interdependence". Gotts chalk defines negotiation process as "an occasion where one or more representatives of two or more parties interact in an explicit attempt to reach a joiritly acceptable position on one or more divisive issues." The term negotiation as described by Micael Salamon as "the interpersonal process used by representatives of management and employees/unions, within the various institutional arrangements of collective bargaining, in order to resolve their differences and reach agreement. Negation is a process for resolving conflict between tow or more parties whereby both or all modify their demands to achieve a mutually acceptable compromise.

Negotiation can be characterized as:

1. an explicit and deliberate event;
2. it takes place between the representatives of parties concerned;
3. the process which intends to settle the disputes/differences between the parties involved;
4. the outcome of the negotiation is dependent (party) on the relative power relationship between the parties involved.

1.4 The Prevalence of Negotiation

This is an age of negotiation. Almost each and every aspect of our lives is subject to one or the other form of negotiation. Sometimes we negotiate several times a day also, though we don't realize doing so.

Negotiations, governments, employers, employees, unions, management, husbands, wives, parents and children all negotiate whether it is a national or international problem, negotiation is the solution e.g. summit of super negotiation between Israel and Arabs or Palestinians etc.

Labor disputes are far more visible and get extensive news coverage than commercial disputes which are as frequently but public and visible. Go slows, strikes, bans and lock-outs have become quite familiar dramas. Industrial relations disputes do get more publicity and coverage, as in this case both the parties try to win public support and sympathy to strengthen their sides. Whereas commercial emotions are generally held in private kind of environment, party to have edge over the competitors and to protect the companies images.

There has been substantial in the use of the term "Negotiation" in the commercial context. Negotiating in this context is not merely selling but its extension where the interested parties having agreed to do business need to agree on the terms and conditions. Myriads of interest groups negotiate with their local authorities/government for various social welfare, rights and amenities. Negotiated settlement for marriage between the parents of prospective couple for the size of dowry, has been a common practice and far more decisive factor than the compatibility of the prospective partners. Now negotiation has become quite common and effective in divorce settlements. Lawyers specialize in representing their clients in such negotiation. Husbands, wives, and lovers negotiation in go under. One thing which's common in all such cases and makes negotiation necessary is that the parties involved may have varying degrees of powers but not absolute power over each other. We are forced to negotiate because we are not fully in control of events.

Individuals should make separate, interactive decisions; and negotiation analysis considers how groups of reasonably bright individuals should and could make joint, collaborative decisions. These theories are interleaved and should be approached from the synthetic perspective.

CASE STUDY: Crisis at Honda Motorcycles and Scooters India Ltd.

Multinationals often make judgemental errors regarding cross-cultural issues and the business environment prevailing in foreign countries. Honda Motorcycles and Scooters India Ltd. (HMSI), a wholly-owned subsidiary of Honda Motor Company Limited, Japan, established its plant in India in 1999 and made such mistakes in handling people - management issues.

Recent clash between the Labour and Management of Honda Motors and Scooters India in Gurgaon has once again brought back the bogey of strikes of socialist era. Everyone including MNCs, government, economists and employers are sceptical of resurgence of labour movement. If labour movement gets a new life, it can give a severe jolt to Indian economy. Therefore, it is necessary to analyse the reason behind these events and curb the nip in the bud.

The riot that followed the labour-management dispute in Gurgaon over the Honda Motorcycle and Scooter India spat could be the first major sign of things to come. After a decade-and-a-half of market friendly policy changes, the union seems to be sticking their neck out again to ensure they are being heard. Some says the left parties in power are the force behind this resurgence, the central unions disagree. They see the UPA government in the Centre providing a major conducive environment for their woes to be heard. For now, the battleground has been cleared and the soldiers are back home. A peace pipe is being passed around and the warring factions appear momentarily happy to take a drag as they put behind them the images of mayhem that hit the industrially flourishing Gurgaon Manesar region in Haryana. But behind the wall of silence, tremors can still be felt. The question on everyone's mind is how to ensure that what happened in Gurgaon does not happen again.

Globalization and liberalization has forced government to give a serious thought to our anarchic labour law, which makes our companies uncompetitive globally and discourages foreign companies from investing in India. Indian labour laws are among the most rigid in the world. In this scenario, Government recognized the need for increased flexibility in Labour market, but they can not bring the policy of hire and fire approach, more so, since the institutions of social security, particularly unemployment insurance, are not well developed in our country. Therefore, structural reforms in labour laws must ensure the welfare of workers. Reforming labour laws will boost industry and create more jobs.

Besides government, it is the responsibility of the employer to develop some well specified procedures that must not create undue unrest among workers and whenever they need more manpower, they should give a preference to the workers it is retrenching at present. They should also introduce some Unemployment Insurance Schemes made by the contribution of employees and employer.

The fact that the less rigid nations also have more efficient economies, and higher wages and a smaller share of labourers who are long-term unemployed is not a matter of coincidence. Given that the reform of labour laws is, contrary to popular perception, in the interests of the workers, what government needs to do is let this topic debated and explained so that workers, instead of opposing such reform, become its advocate.

Research has revealed that labour strikes globally hit once in eight to 10 years. That period is now nearing. "The Honda incident should be taken as early warnings of a big wave of labour militancy in the future." The All India Trade Union Congress (AITUC), which has just claimed a conquest by bringing Honda Motorcycle & Scooter India's workers union into its fold, has now trained its guns on Maruti Udyog Ltd. the leading producer of passenger cars in the country pertaining to the dismissal of 92 employees during a labour trouble at Maruti in 2000-2001 and several hundreds opting for a voluntary retirement scheme, which, it is alleged, is not exactly voluntary.

Labour Unrest

A labour unrest is a social phenomenon of enormous complexity and it is very difficult to give any complete explanation of this phenomenon. It is a matter of controversy whether the predominant factors underlying labour unrest are economic or non-economic. It has been concluded that so long as income remained the all important means for satisfying human wants and needs, wage would continue to be major consideration in labour unrest.

Considering the nearing period of labour unrest with the recent cases of Honda and Maruti, it is the time to do root cause analysis and find out what are the possible reasons which lead to labour unrest so as to address these issues.

Root Cause Analysis

From the study of some of the strikes and lockouts over last 10 years, we concluded that all the possible reasons can be classified into five major heads. As specific problems are branched out from the major effect area, the result appears to look something like a fish bone diagram. The potential problems can then be researched to find the root cause and correct it. The five heads are as follows:

1. Monetary
2. Political
3. Legal
4. Job Specific
5. Others

Questions:

1. Analyse and Interpret the case.
2. Discuss the case facts.

1.5 Alternatives to Negotiation

The right to differ is regarded in democracies as a fundamental right. Given that everybody demands the right to have a viewpoint, naturally follows to find out a way of handling the mutual right to differ and that is negotiation. Negotiating may not work in certain circumstances, necessitating finding other way outs. There are alternatives to negotiation which are appropriate and sometimes even preferred to suit the circumstances.

Dictatorship is one of the alternatives to negotiations, which is even preferable in certain circumstances. If the decision is made unilaterally and the other party accepts it because either one has surrendered one's own right or is fearful of the consequences, accepting the right and might of the dictator. Decisions will be dictated whenever such situations exist such decisions are far more common than realized and widespread throughout society.

In military orders are not subject to negotiation; in sports the referee's decision is final, through a player does not lose the right to challenge it risking punishment.

A solution can be hit through arbitration, if negotiation fails to produce one. Arbitration may be another alternative to negotiation wherein a third party is designated to make decisions for the two parties, who could not agree as one. This may not work always.

Because of its nature arbitration is also unpopular among the negotiators, as it requires the parties concerned to handover their powers in the hand of a neutral party and hence lose the opportunity to influence the decision in their favour, and moreover the decision of the arbitrator has to be mutually binding. Thus it has some proximity to the decision by dictatorship.

Pendulum arbitration is more common. In this the arbitrator selects one or the other party's final positions and is precluded from forming a compromise between them. Such a mechanism encourages the interested parties to move closer and closer to what they think the arbitrator may consider as a reasonable solution, thus even increasing the probability of striking a solution without the necessity of arbitration.

The most common alternative negotiation is persuasion. If the other party can be persuaded to accept one's point of view. It is often the first thing we try an keep on trying throughout the negotiation. Unfortunately, the experiences show a very pessimistic picture of the success rate of persuasion, provoking the feeling of frustration as people in conflict can seldom be persuaded easily.

1.6 Negotiating Conflicts

The right to differ and have one's own viewpoint is an integral part of a democracy. We become convinced that our point of view is the right one and that the other party could not agree to it because of the lack of understanding or inability to using the same facts and arguments to arrive at the conclusion. As a result both the parties waste hours and days together fruitlessly arguing repeating the same ground instead of negotiating to achieve a workable compromise.

One of the major causes of conflict is differing perceptions. Beside there are other causes too: e.g. one of the parties might want to improve on other's offer (even after a deal has been agreed) thus introducing conflict deliberately. Sometimes there is a genuine gap between the parties beyond their control e.g. suppose a flight is delayed due to fog, hence a major contract is lost, consequently substantial reduction of work available in the company, redundancies are inevitable.

People negotiate because of self interest, be it corporate or personal. It is not always possible to resolve conflict by negotiation. Two parties in conflict can, of course, decide to ignore the issue and agree to disagree. Difference of opinion on politics, religion and sport may probably fall in this category. Agreeing to disagree will not make the problem go away where these differences affect or are part of a work or commercial relationship.

In the negotiating context, the conflict can be of two kinds:

1. Conflict of interest and
2. Conflict of rights

The conflict of interest occurs where either the terms of business have not been settled or beingre-negotiated, having settled earlier. Labour negotiations on wages, hours, numbers and working conditions, commercial negations on price, quantity, quality and delivery are the examples of the conflicts of interest.

The conflict of rights occurs where a difference of interpretation arises about the existing agreement between the two parties. In labour negotiations a dispute can arise over the application of an existing agreement. In commercial negotiation the conflict could centre on whether the terms of the existing contract have been met? Did one party ful fill its obligations under the contract, if not, was it entirely its own fault or did the other party contributed too, if yes, how much? Again, this is a conflict about rights not interests.

The word 'Conflict' is used descriptively because that is what it is. Characterizing or categorizing the conflicts of rights or interests, is a prelude to resolving it.

Negotiations as a process for conflict resolution necessarily centres on the issue on which the two parties are in conflict and not their relationship in total. It is because parties despite all difference have a common overall interest and common interest in finding a negotiated settlement. It does not imply that any terms are acceptable.

1.7 Need and Importance of Negotiation

Following are the five key reasons that illustrate the importance of negotiation skills (1) the dynamic nature of business, (2) interdependence, (3) competition, (4) the information age, and (5) globalisation.

Dynamic Nature of Business

Mobility and flexibility are the dictates of the new world of work. The dynamic, changing nature of business means that people must negotiate and renegotiate their existence in organisations throughout the duration of their careers. The advent of decentralized business structures and the absence of hierarchical decision-making provide opportunities for managers, but they also pose some daunting challenges. People must continually create possibilities, integrate their interests with others, and recognise the inevitability of competition both within and between companies. Managers must be in a near-constant mode of negotiating opportunities. According to Linda Greene, Associate Vice Chancellor for academic affairs at the University of Wisconsin-Madison, "Many important events essential to professional success and professional satisfaction happen everyday in the workplace and they are not always announced in advance."

(The Capital Times, January 1, 2000, p. 1E). In reality, negotiation comes into play when people participate in important meetings, get new assignments, head a team, participate in are organisation process, and set priorities for their work unit. Negotiation should be like second nature to the business manager, but often it is not.

Interdependence

The increasing interdependence of people within organizations, both laterally and hierarchically, implies that people need to know how to integrate their interests and work together across business units and functional areas.

Competition

Business is increasingly competitive. This means that companies must be experts in competitive environments. Managers not only need to function as advocates for their products and services, but they must also recognise the competition that is inevitable between companies and, in some cases, between units within a company. Understanding how to navigate this competitive environment is essential for successful negotiation.

Information Age

The information age also provides special opportunities and challenges for the manager as negotiator.

Globalization

Most managers must effectively cross cultural boundaries in order to do their jobs. Setting aside obvious language and currency issues, globalisation presents challenges in terms of different norms of communication. Managers need to develop negotiation skills that can be successfully employed with people of different nationalities, backgrounds, and styles of communication. Consequently, negotiators who have developed a bargaining style that works only within a narrow subset of the business world will suffer unless they can broaden their negotiation skills to effectively work with different people across functional units, industries, and cultures.

(Bazerman & Neale, 1992). It is a challenge to develop a negotiation skill, set general enough to be used across different contexts, groups, and continents, but specialized enough to provide meaningful behavioural strategies in any given situation. This book helps to develop such skills.

1.8 Preconditions for Negotiations

1. There must be two or more parties which have either conflict or disagreement.
2. There must be a perceived conflict of needs, positions and interests.
3. There must be interdependence so that the outcome must be satisfying to all parties.
4. Agreement must be required to be reached within reasonable time, so that it becomes beneficial to parties.
5. The success of negotiation depends on the facts that:
    (i) The issue is negotiable.

(ii) The negotiators are not only taking but giving also.

(iii) The negotiator's parties must trust each other to some extent.

(iv) There is a fear that failure may lead to crisis.

Notes

1.9 Elements of Negotiation

Most of the descriptions given above basically identify the following elements in the process of negotiation.

1. People generally do not negotiate with themselves. All negotiations involve transactions between a minimum of two individuals/groups. However, in some situations, it could be more than two individuals/groups. For example, in India, differences between labour and management are often resolved with the involvement of the Government.
2. For negotiation to take place, there must exist a conflict of interest between two individuals/parties. When they come to negotiate, they would like to find a solution that would satisfy the individual interests of both the parties.
3. The reason why two individuals/groups opt for negotiation is because their relationship is interdependent. One depends on the other for the satisfaction of his interests, which cannot be taken care of by another individual or group. For instance, the union depends on the management and the management is dependent on the workers who are represented by the unions.
4. The process of negotiation begins by presentation of an initial demand/proposal which is followed by a counter proposal by the other party. If this is followed by several proposals and counter proposal, negotiation does not take place. Saying yes or no as opening move, or tossing a coin and sticking to it does not constitute negotiation.
5. In all negotiations the concern is either for division and/or exchange of specific resources. The first is a fixed pie situation where negotiation takes place for a share of the pie. The second is simply a barter situation, where negotiation takes place as a process of give and take.
6. Very often people negotiate on behalf of another person, organisation, or even a country, called constituents. Often the constituents provide these negotiators the ranges within which they are to settle the deal. However, in some cases no such ranges are provided and the final deal is left to the judgement of the negotiators. In cases where the people actually negotiate on behalf of someone, they have to be accountable to their constituents.
7. All negotiations do not always end up in a mutually satisfying memorandum of agreement. Sometimes the negotiators get so involved with the issues that they are not able to go beyond them. At this point of time, they may decide to involve mediation by a third party, acceptable to both the parties in negotiation.

Hence, we see negotiation as a way of getting what one wants by presenting proposals and counter proposals for division and/or exchange of resources in a mutually dependent relationship. In case of parties failing, it provides the possibility of a third-party intervention.

1.10 Assumptions in Negotiation

Effective negotiation is based on following assumptions:

1. Negotiation is a process of give and take. It has no room for threat or coercion. Any use of force violates the basic premise of negotiation which is based on two parties coming by their own free will to discuss their issues.
2. While it is assumed that in negotiation proposals and counter proposals should ideally be reasonable, the process of negotiation cannot assume total reasonableness. All one can say is that negotiation provides reasonable people a reasonable opportunity to be reasonable. But to expect total reasonableness is not correct.
3. When people come to the negotiation table, they come with the belief that the other individual/group can be persuaded. If such a conviction does not exist, negotiation cannot proceed.
4. Perhaps the most important assumption has to do with the hierarchically equal status of the parties during negotiation. When union representatives and senior HRM managers sit down across the table to negotiate their structural positions in the organisation it lose significance.
5. Another important assumption has to do with the desire for fairness in the process of negotiation. Though this may sound somewhat contradictory to the assumption of reasonableness mentioned above, it becomes a necessary precondition for negotiation to begin and to end in a mutually satisfying agreement. The concept of fairness is relative. Therefore, one may be happy with a lot less than the other, but as long as the result of negotiation is acceptable to both parties, it is perceived as fair and just.
6. Finally, it is necessary for both parties to see negotiation as more beneficial for resolving differences, compared to other methods of dispute settlements. It is assumed that the parties in conflict have assessed other alternatives and have found negotiation as a more valuable option than the others.

1.11 Game Plan

Negotiation requires preparation, hard work, and the ability and willingness to foresee the response of the adversary. Hence, before one gets into actual negotiation one has to prepare a game plan. A negotiation plan consists of three stages. These are:

1. Pre-negotiation planning,

2. During negotiation behaviour and
3. Post-negotiation understanding.

Pre-negotiation Planning

This is the most important stage of negotiation. The success or failure of negotiation depends on how well the homework has been done before one is in a face-to-face actual negotiation situation. Pre-negotiation planning requires consideration of the following factors:

1. **Know thyself:** One of the most significant factors is the knowledge about one's own personality and predispositions. Some people are good in bargaining while others get confused and irritated more easily. As a result, they either give away some very useful information or block the process of negotiation. Evidence shows that people who have lesser tolerance for ambiguity tend to be losers in negotiation. Weingart et al. (1988) found high interpersonal orientation as the most significant characteristic in making negotiation effective. It involves sensitivity to the needs of others, power balance and the requirements of the immediate situation.
2. **Know the adversary:** Knowing one's self is not enough. It is also necessary to do a back ground check on the individual/party, one is going to negotiate with, particularly if it is a first-time interaction. By and large it has been seen that parties belonging to the same background (ethnic, religious, caste, etc.) and subscribing to the same ideology (political or otherwise) tend to cooperate with each other. Early evidence has suggested that women tend to be more conciliatory than men (Wall, 1976). However, some recent evidence suggests that it is not the gender per se but rather masculine and feminine tendencies, irrespective of biological gender, that make the difference.
3. **Specify your goals and objective:** Before walking into a face-to-face negotiation, it is imperative to be clear as to what are your immediate and long-term objectives in the negotiation. An understanding of these helps in planning the negotiation strategy. In case there are a number of issues on which negotiation has to take place it is absolutely necessary to prioritise your objectives most important followed by the next most important, and soon. Not only this, it is also necessary to identify those issues which one would be willing to trade off with the options provided by the other party. In other words, which of the several issues one is willing to give up if some favourable option is provided. Sometimes it is also necessary to combine various issues into a single package instead of dealing with them one by one. The package may have greater cumulative value than each single item.
4. **Develop arguments/alternatives:** Negotiation is not possible if there is a fixed point argument. It involves a range within which the individuals/parties in negotiation have to bargain. Therefore, before going into actual negotiation, it is necessary to decide the entry and exit points. There is nothing like getting a deal at one's exit

point because that generally does not happen. Hence, it is necessary to decide what is it that one would like to get, what would be a tolerable limit without losing much, and finally what is the absolute minimum/maximum one would finally like to have to receive a negotiation surplus. These are different points in the range defined by the entry and exit points. Just walking into a negotiation without these considerations may put one in a surprise situation, getting out from which may not only be difficult but often impossible.

5. **Agenda/procedures:** Perhaps one of the most important factors in pre-negotiation planning has to do with agenda, site selection, physical arrangement, and time availability. These are the issues/items on which negotiation has to take place. The agenda tends to set the tone for negotiation. An agenda must be prepared in consultation with the individual/party involved in the negotiation and should be made known to them before the actual negotiation. Site selection plays a significant role in the process of negotiation. Most negotiations usually take place at a neutral place. Negotiations taking place at either individual/party's office/city/country may provide the individual/party in negotiation the home advantage by way of socio-moral support, access to additional help, and control on infra structural facilities. Alternatively, it adds to the disadvantage of the other individual/party. It is like a cricket match on home ground where the local public provides moral support to the home team and discourages the winning attempts of the other team. Physical arrangements like seating arrangement at the venue, availability of secretarial assistance, or even timely availability of food and refreshments can make a difference in the process and outcome of negotiation. If well-arranged, they can facilitate negotiation or may cause irritation if details are not taken care of. Seating arrangement which is based on face-to-face interaction provides access to body language. Perhaps the most important factor in negotiation is happening in the international scenario. Hence if results are wanted, a time frame for negotiation should be identified. By and large, it has been found that when the period of negotiation is fixed, decisions are taken usually towards the end of the closing period of time.

Behaviour during Negotiation

Having done the necessary preparation and homework now the time has come to sit face-to-face in actual negotiation. For as long as the negotiation lasts a number of behaviour patterns have to be observed. They are the opening move, negotiation dance, and influence mechanism.

1. **Opening Move:** If the parties in negotiation are meeting for the first time, the opening move becomes very important. It decides the nature of rapport that would be established and subsequently influence the pattern of negotiation. Generally, one should, after saying hello and introductions, talk about neutral topics such as the weather or some topics of general common interest. The basic idea of the opening

dialogue is to put the other individual/party at ease and to help in settling down.

Once the individuals/parties are settled, the process of negotiation begins. The initial offer made in the process tends to set the tone of subsequent negotiation behaviour. Too conservative or too liberal an offer can prolong the process of negotiation because in both cases the individuals/parties keep on asking for more liberal offers to maximise one's gain and conservative offers take too long to reach the limits of expectation. This creates what is called lock-in effect. It refers either to the nature of proposals being received or counter proposals being made. Nature here refers to the size of the proposal and the expectation that all future proposals will follow the profile of the initial and/or subsequent offers.

2. **Negotiation Dance:** This is based on two elements – frequency of proposals and size of proposals. Frequency refers to the number of times proposals are made and size refers to the quantity/value of the proposals. These two together make the negotiation dance (the sequence of proposals/counter proposals). The combination of these two can result in many different patterns of negotiation. For example:
   (i) An individual/party can make several small concessions followed by one big concession at the closing stage.
   (ii) Alternatively, an individual/party can make an initial large concession followed by several small concessions.
   (iii) They can make uniform concessions throughout where size remains the same but the frequency is large.

   The frequency of offers and their size determine the nature of the outcome. For example, Weingart et. al. (1988) found that negotiation with a high frequency of offers and counter offers reduces the possibility of an integrative outcome. Such a process does not provide time to take a perspective approach or exchange information. However, it has been noticed that as the time for closing the deal approaches, the frequency of concessions increases. This is called monotone decrease.

   A negotiation dance also deals with last-clear-chance offer, a tendency to reach the maximum limit and then to say 'take it or leave it'. This seems to be a common behaviour pattern when a negotiation has lasted for a long time and individual/parties involved have become exhausted and tried. However, in this situation if the last chance offers is accepted then one can sign an agreement. But if the last-clear-chance offer is not accepted and negotiation comes to end, then the individual/party that makes last chance offer tends tolose. The reason is that the individual/party which has made the offer has been able to bring the adversary to a position closer to its own, but this benefit is lost if the negotiation does not lead to an agreement.

3. **Influence Mechanisms:** Although negotiation is supposed to be fair and reasonable, still individuals/parties often use mechanisms of influence to get the agreement in their favour. They may use following power system to get a favourable deal.

(i) **Referent Power:** It means dropping names of influential people or identifying with them during the negotiation to suggest that their relationship with these people should be taken into account in the negotiation settlement.

(ii) **Expert Power:** It refers to using their expertise on the issues or using jargon unfamiliar to other individual/party, thereby indicating that they know more about the issue and hence their point of view is the best.

Additionally, they may either offer non-specified benefits to make them agree to their proposal or threaten the other individual/party should it disagree to their proposals. However, it should be noted that the other individual/party could be equally capable to use the same rewards and threats and may respond to threat with greater threat and reward with better reward. Or it may simply ignore the rewards and threats and walk away from negotiation, denying the benefits accrued so far. The benefits here are the concessions made so far.

Post-negotiation Understanding

People often think that once an agreement is reached, the act of negotiation is completed. However, the fact is that negotiation helps in finding a solution to the conflict. Once the solution has been found, it has to be implemented. The solution is only the beginning, it has to be seen that negotiation reaches its logical conclusion by being implemented. Therefore, post-negotiation understanding requires a blue print to put the agreements in action. Hence, the following agenda has to be discussed, negotiated, and agreed upon:

1. **Plan:** Agreeing on an issue in negotiation leads to putting the agreement into an action plan. The exact nature of the plan must be sorted out during the negotiation to reduce any future misunderstanding. It should include the course of action, resource generation and resource utilisation, a time table and indices for monitoring, and evaluation of the success of the course of action taken. If such an agreement is not made then chances are that while implementing the agreements arrived at in negotiation the need may arise to go back to the negotiation table.
2. **Role Responsibilities:** In addition to the blueprint suggested above, it is also imperative to delineate the exact roles that the individual/parties in negotiation, or their representatives, would be performing. Such an attempt helps in allocating responsibilities, authority, and accountability. It also saves time and energy by avoiding unnecessary duplication of efforts and streamlines the need for coordination between the two individuals/parties in negotiation.
3. **Review Teams:** To monitor the progress of the implementation plan, the individuals/parties should also agree on setting up joint implementation review teams. These individual/parties should ensure adequate information sharing, provide timely feedback, make mid-course correction, and by and large make sure that progress is timely and as planned.

1.12 Distributive Negotiation

Distributive negotiation takes place when the resources are fixed and limited (fixed-pie situation) and each individual/party wants to get a large share for itself. Therefore, distributive negotiation becomes essentially a competition to get the maximum for one's self. The competitive negotiator views the negotiating world as one controlled by an ego-centric self-interest. Resources are limited and the distribution of these resources should be distributive in nature (Sherman and Asherman, 2001). Distributive negotiations are lengthy and typically involve deceptive arguments and new concessions. Negotiators mark their true intents and needs by exaggerating emotions and demands and by exhibiting conflicting verbal and non-verbal cues. In this kind of negotiation though the goals and objectives of individuals/parties are diametrically opposed, the relationship is still interdependent. However, the focus is on pushing one's entry point closer to the exit point. Hence the concern is with the subjective utility of the outcome, and the cost of delay in reaching a settlement or terminating the process of negotiation is very high. Distributive bargaining generally takes place in case of a one time-relationship. Some of the tactics used in distributive bargaining are described below:

1. **Bluffing:** It refers to the making of a false statement of position, a promise, or threat which the individual/party has no intention to carry out. The negotiators use "linguistic behaviour" such as disclaimer, hedging, omissions, and vague language to project an image of strength (Lewicki and Litterer, 1985).
2. **Delays:** For reaching favourable settlements, discussions are often deliberately prolonged to put time pressure on the other individual/party. This becomes particularly effective if there is a time limit within which the other individual/party has to make the deal.
3. **Snow Job:** It refers to putting pressure on the other individual/party by presenting a long list of issues to be discussed, most of which may not have any significance for the individual/party presenting them. This is more true in union-management negotiations where the union charter of demands runs into several pages. The idea is to "blind" the other individual/party as it happens when it snows.
4. **Temper Tantrums:** These are often used to show one's anger, frustration, or dissatisfaction either with the progress of negotiation or on the nature of the counter proposals. This is just a show to make the other individual/party uncomfortable and agree on a proposal favourable to angry individual/party.
5. **Nibble:** This basically refers to wearing down the adversary to reach an agreement on an issue after hard and prolonged bargaining. When the adversary is about to agree, he/she is asked for some small favour before the final agreement is signed.
6. **Limited Authority:** It is used to push a particular proposal and emphasising that this proposal is within the authority of the bargainer. For anything more than that the bargainer has to check with higher ups which would delay and/or change the

outcome. It is usually practised if the individual/party is representing a client or a constituent.

Fundamental Strategies

The prime objective in distributive bargaining is to maximise the value of the current deal. In the condo example, the buyer has four fundamental strategies available:

1. To push for a settlement close to the seller's (unknown) resistance point, thereby yielding the largest part of the settlement range for the buyer. The buyer may attempt to influence the seller's view of what settlements are possible by making extreme offers and small concessions.
2. To convince the seller to change her resistance point by influencing the seller's beliefs about the value of the condo (e.g., by telling that the condo is overpriced), and there by increase the bargaining range.
3. If a negative settlement range exists, to convince the seller to reduce her resistance point to create a positive settlement range or to change his own resistance point to create an overlap. Thus, Megan could be persuaded to accept a lower price, or Larry could decide he has to pay more than he wanted to.
4. To convince the seller to believe that this settlement is the best that is possible – not that it is all she can get, or that she is incapable of getting more, or that the buyer is winning by getting more. The distinction between a party believing that an agreement is the best possible deal leads to ego satisfaction. Ego satisfaction is often as important as achieving tangible objective.

   In all these strategies, the buyer is attempting to influence the seller's perceptions of what is possible through the exchange of information and persuasion. Regardless of the general strategy taken, two tasks are important in all distributive bargaining situation—(1) discovering the other party, and (2) influencing the other party's resistance point.

1.13 The Bargaining Zone and the Negotiation Dance

Typically, negotiators' target points do not overlap. The seller wants more for the product or service than the buyer is willing to pay. However, it is often (but not always) the case that negotiators' reservation points do overlap meaning that the most the buyer is willing to pay is more than the least the seller is willing to accept. Under such circumstances, a mutual settlement is profitable for both parties. However, the challenge of negotiating is to reach a settlement that is most favourable to oneself and does not give up too much of the bargaining zone. The bargaining zone, or Zone of Possible Agreements (ZOPA) (Lax & Sebenius, 1986) is the region between each party's reservation point. The final settlement of a negotiation will fall some where above the seller's reservation point and below the buyer's reservation point (Raiffa, 1982).

Every negotiator should know certain important principles when it comes to slicing the pie. First it is important to realise that the bargaining zone can be either positive or negative.

Notes

Strategy 1: Assess your Best Alternative To Negotiated Agreement (BATNA) and improve it. Nothing can help a negotiator get a bigger slice of the pie than having a great BATNA.

Strategy 2: Determine Your Reservation Point, But Do Not Reveal It

Unless you are willing to settle for your reservation point, do not reveal your BATNA or your reservation price during the course of negotiation, even in the friendliest of situations. If you do, the other party will simply offer you your reservation price and you will not have any surplus for yourself. Further, your threats to "hold out" won't work because the other negotiator will know that rationally, you are better off accepting the offer.

Strategy 3: Research the Other Party's BATNA and Estimate Their Reservation Point Even though determining the other party's BATNA may be easier said than done, negotiators often fail to do sufficient research, which reduces their power more than anything. Negotiators can use a variety of ways to garner information that may reveal something about the opponent's alternatives. Be careful when the other party discloses, however.

Strategy 4: Set High Aspirations (Be Realistic, But Optimistic)

Your aspiration or target point defines the upper limit on what you can ever expect to get in an egotiation. Because you will never get more than your first offer, your first offer represents the most important anchor point in the negotiation.

Strategy 5: Make the First Offer (If You Are Prepared)

Folklore dictates that negotiators should let the opponent make the first offer. "The experts sayit's better to let your adversary make the opening offer".

However, scientific investigation of real bargaining situations does not support this intuition. Whichever party – buyer or seller – makes the first offer, that person obtains a better final outcome.

Strategy 6: Immediately Re-anchor if the Other Party Opens First

If your opponent makes an offer, then the ball is in your court. It is wise to make a counter-offer in a timely fashion. This move does two things. First, it diminishes the prominence of the opponent's initial offer as an anchor point in the negotiation. Second, it signals a willingness to negotiate.

Strategy 7: Plan your Concessions

Concessions are the reductions that a negotiator makes during the course of a negotiation. Negotiators need to consider three things when formulating counter offers and concessions:

1. The pattern of concessions

2. The magnitude of concessions
3. The timing of concessions

Pattern of Concessions

Notes

Unilateral concessions are concessions made by one party; in contrast, bilateral concessions are concessions made by both sides. Negotiators who make fewer and smaller concessions are more effective in terms of maximising their slice of the pie, compared to those who make larger and more frequent concessions.

Magnitude of Concessions

Even though negotiators may make concessions in a back-and-forth method, this exchange does not say anything about the degree of concessions made by each party. Thus, a second consideration when making concessions is to determine how much to concede. The usual measure of a concession is the amount reduced or added (depending upon whether one is a seller or buyer) from one's previous concession. It is unwise to make consistently greater concessions than one's opponent.

The graduated reduction in tension (GRIT) model (Os good, 1962) is a method in which parties avoid escalating conflict so as to reach mutual settlement within the bargaining zone. The GRIT model, based on the reciprocity principle, calls for one party to make a concession and invites the other party to reciprocate by making a concession. The concession offered by the first party is significant, but not so much that the offering party is tremendously disadvantaged if the opponent fails to reciprocate.

Timing of Concession

By timing of concessions, we mean whether concessions are immediate, gradual, or delayed (Kwon & Weingart, 2004). In an analysis of buyer-seller negotiations, sellers who made immediate concessions received the most negative reaction from the buyer – who showed least satisfaction and evaluated the object of sale most negatively. In contrast, when the seller made gradual concessions, the buyer's reaction was most positive – high satisfaction.

Strategy 8: Use an objective-Appearing Rationale to Support your Offers

The way in which an offer is presented dramatically affects the course of negotiations. Ideally, present a rationale that appears to be objective and invites the opponent to buy into your rationale. If your proposals are labeled as "fair," "even splits," or "compromises," they carry more impact. The importance of having a rationale cannot be overestimated. Oftentimes, people simply want to hear that you have a rationale and don't even bother to assess the details of it.

Strategy 9: Appeal to Norms of Fairness

Fairness is a "hot button" in negotiation because most negotiators view themselves as fair, or wanting to be fair. The ideal pie-slicing strategy is to determine which norms of fairness would be appropriate for the situation and then use these norms to argue for your own target point.

Strategy 10: Do Not Fall for the "Even Split" Ploy

A common focal point in negotiation is the "even split" between whatever two offers are currently on the negotiation table. In many negotiation situations, such as in car and house buying, negotiators' offers do not overlap. Inevitably, one person has the bright idea of "splitting the difference." The concept of the "even split" has an appealing, almost altruistic flavour to it.

To many of us, it seems unreasonable to refuse, to compromise or meet the other person halfway. So what is the problem with even splits? The problem is that they are based on arbitrarily arrived-at values.

1.14 The Most Commonly Bothering Questions

1. Should I reveal my Reservation Point?

   Revealing your reservation point is generally not a good strategy unless your reservation point is especially good and you suspect that the bargaining zone is narrow. If you reveal your reservation price, be prepared for the other party to offer you your reservation price, but not more.

2. Should I lie about my Reservation Point?

   Lying is not a good idea for three important reasons:

   First, lying is unethical.

   Second, lying does not make sense strategically.

   Finally, lying hurts your reputation.

3. I try to manipulate the other party's reservation point?

   Probably not. Assuming that other parties are reasonably intelligent, motivated, and informed (like you), they are not likely to fall prey to this readily transparent negotiation ploy. Such attempts may actually backfire, entrenching other parties more steadfastly in their positions.

   Furthermore, you want to avoid other negotiators' attempts to turn the tables on you with similar influence tactics. You probably would not fall for it, so why should they?

4. Should I make a "Final Offer" or commit to a position?

   In general, taking such a stance is not an effective negotiation strategy. The key reason is that people do so too early in the negotiation process. Indeed, the line "This is my final offer" would have much more effective impact if said later in a negotiation.

   Making an irrevocable commitment such as a "final offer" really should be done only when you mean it and you feel comfortable walking away from the bargaining table. If your BATNA is more attractive than what the opponent is offering you, intimidating the other party by making a commitment is risky. First, it is difficult to make "binding"commitments that appear to be credible. More important, it is difficult to reverse such statements once they are made, at least not without looking or feeling foolish.

Notes

Saving Face

Saving face in a negotiation has been called "one of an individual's most sacred possessions". Face is the value a person places on his or her public image, reputation, and status vis-à-vis other people in the negotiation. Direct threats to face in negotiation include making ultimatums, criticisms, challenges, and insults. Often, it is the mere presence of an audience that can make"saving face" of paramount importance for the negotiator.

1.15 Finding Ways to Abandon a Committed Position

Frequently negotiators want to get the other party out of a committed position, and many times that party also wants a way out. How can this be done? We suggest four avenues for escaping commitments.

Plan a Way out

When establishing a commitment, a negotiator should simultaneously plan a private way out. The negotiator may also reward a commitment to indicate that the conditions under which it applied have changed. Some to say, "Given what I've learned from you during this discussion, I see I am going to rethink my earlier position." The same could be done for the other party. A negotiator, wanting to make it possible for the other to abandon a committed position and yet not lose credibility, might say, "Given what I've told you about the situation (or given this new information) I believe you will see that your earlier position no longer holds." Needless to say, the last thing a negotiator wants to do is to embarrass the other party or make judgemental statements about the shift in position; rather, the other party should be given every opportunity to retreat with dignity and without losing face.

Let it Die Silently

A second way to abandon a commitment is to let the matter die silently. After a lapse of time, a negotiator can make a new proposal in the area of the commitment without mentioning the earlier one. A variation on this process is to make a tentative step in a direction previously excluded by the other's commitment. For example, an employee who has said that he would never accept a certain job assignment may be asked to consider the benefits to the career of a "temporary" placement in that job. In bureaucratic institutions, changes can be introduced as "innovative experiments" to see if they work before they are formally adopted. If the other party, in response to either of these variations, indicates through silence or verbal comment a willingness to let things move in that direction, the negotiation should simply be allowed to progress.

Restate the Commitment

A third route is to restate the commitment in more general terms. The party that wants to abandon a commitment will make a new proposal, changing some of the details to be more in line with his or her current needs, while ostensibly still living with the general principles of the earlier working. For example, the purchasing agent who demanded a 10 per cent volume discount may rephrase this statement later to say simply that a significant volume discount is needed. The other party can then explore what level this "significant" discount could be.

Minimise the Damage

Finally, if the other party backs off from a committed position, it is important to help him or her "save face," which means helping to minimise any possible damage to the other party's self esteem or to constituent relationships. One strategy to use in this instance is to make a public attribution about the other party's move to some noble or higher outside cause. Diplomats can withdraw from a committed position because of their deep concern for peace and humankind. A buyer or seller can back off from a point during a real estate transaction to support the economic well-being of the community. Managers can leave a committed position for the good of the company.

A committed position is a powerful tool in negotiation: it is also a rigid tool and must therefore be used with care. As with any other tool, we must be as alert to ways of denying it to the other party as we are to ways we can use it for ourselves. Unfortunately, many commitments are made impulsively out of anger or a desire to stop making concessions rather than as a result of clearly thought-out tactical planning. In either case, the essential effect of a committed position is to remove an issue from further discussion – to make it no longer negotiable except at serious risk to one or both parties. The committed position has to be believable, and it must appear inevitable – if X happens, Y is inevitable. Convincing the other party that fate is sealed on the matter at hand is a demanding task and requires preparation, time and skill. Consequently, getting out of a committed position is not easy, but the process is made simpler by planning a means of escape at the time the commitment is being established. Many of the steps a negotiator can use to get out of a commitment can also be used to help the other party get out of a committed position or even better, to keep him or her from establishing one in the first place.

1.16 Closing the Deal

After negotiating for a period of time, and learning about the other party's needs, positions, and perhaps resistance point, the next challenge for a negotiator is to close the agreement. Several tactics are available to negotiators for closing a deal; choosing the best tactic for a given negotiation is as much a matter of choice between art and science.

Notes

Provide Alternatives

Rather than making a single final offer, negotiators can provide two or three alternative packages for the other party that are more or less equivalent in value. People like to have choices, and providing a counterpart with alternative packages can be a very effective technique for closing a negotiation. This technique can also be used when a task force cannot decide on which recommendation to make to upper management. If in face there are two distinct, defensible possible solutions, then the task force can forward both with a description of the costs and benefits of each.

Assume the close

Salespeople use an 'assume – the – close technique' frequently. After having a general discussion about the needs and positions of the buyer, often the seller will take out a large order form and start to complete it. The seller usually begins by asking for the buyer's name and address be fore moving on to more serious points (e.g., price, model). When using this technique, negotiators do not ask the other party if he or she would like to make a purchase. Rather, they act as if the decision to purchase something has already been made so they might as well start to get the paperwork out of the way.

Split the Difference

Splitting the difference is perhaps the most popular closing tactic. The negotiator using this tactic will typically give a brief summary of the negotiation (We both have spent a lot of time, made many concessions, etc.) and then suggest that, because things are so close, "why don't we just split the difference?" While this can be an effective closing tactic, it does presume that the parties started with fair opening offers. A negotiator who uses an exaggerated opening offer and suggests a split-the-difference close is using a hardball tactic.

Exploding Offers

An exploding offer contains an extremely tight deadline in order to pressure the other party to agree quickly. For example, a person who has interviewed for a job may be offered a very attractive salary and benefits package, but also be told that the offer will expire in 24 hours. The purpose of the exploding offer is to convince the other party to accept the settlement and to stop considering alternatives. This is particularly effective in situations where the party receiving the exploding offer is still in the process of developing alternatives that may or may not turn out to be viable (such as the job candidate who is still interviewing with other firms). People can feel quite uncomfortable about receiving exploding offer, however, because they feel as if they are under unfair pressure. Exploding offer appears to work best for organizations that have there sources to make an exceptionally attractive offer early in a negotiation in order to prevent the other party from continuing to search for a potentially superior offer.

Sweeteners

Another closing tactics is to save a special concession for the close. The other negotiator told, "I'll give you X if you agree to the deal." For instance, when selling a condo, the owner could agree to include the previously excluded curtains, appliances, or light fixtures to close the deal. To use this tactic effectively, however, negotiators need to include the sweetener in their negotiation plans or they may concede too much during the close.

A negotiation, it can tip the balance of his or her behaviour away from cooperation towards competition, resulting in impasses and lose-lose outcomes.

Wise – Pie-slicing

The distribution of resources (pie-slicing) is an unavoidable and inevitable aspect of negotiation. What qualities should we live by when slicing the pie?

Consistency

One of the hallmarks of a good pie-slicing heuristic is consistency or invariance across setting, time and respect to the enforcer of the procedure.

Simplicity

Pie-slicing procedures should be clearly understood by them. Group members should be able to easily articulate the procedure used to allocate resources.

Effectiveness

Pie-slicing policies should produce a choice, meaning that the allocation procedure should yield a clear decision. If the procedure does not produce such a decision, then conflict may erupt among group members who try to identify and implement a decision post-hoc.

Justifiability

Pie-slicing procedures should be justifiable to other parties. A fairness rule may be consistent, simple, and effective, but if it cannot be justified, it is not likely to be successful, for example, suppose that a manager of an airline company decides that raises will be based upon hair colour.

Consensus

Group members should agree upon the method of allocation. Effective pie-slicing procedures are often internalised by group members, and norms act as strong guidelines for behaviour and decision-making in groups.

Generalizability

The pie-slicing procedure should be applicable to a wide variety of situations. Procedures and norms develop when intra-group conflict is expected, enduring, or recurrent and effective policy, therefore, specifies outcome distribution across situations.

1.17 Integrative Negotiation

Unlike in distributive negotiation, the focus in integrative negotiation is to agree on a mutually satisfying outcome, and hence by design it becomes a win-win kind of negotiation. Just like distributive negotiation, here also the resources may be limited and the individual/parties may come with an option contrary to the others, but there is a willingness to generate other options and agree on them to create mutually utilitarian outcome. The gain of one individual/party is not at the cost of the others. There is a mutuality of understanding and an attempt to satisfy the concerns of each other.

Bazerman (1990) suggests that to be able to achieve integration in negotiation the negotiators need to safeguard against the following pitfalls:

1. There is no fixed pie. It could be expanded and/or utilised to the maximum advantage of all parties.
2. The process of negotiation can become non-relational. The focus may shift from issue to position, ego, and face saving.
3. Overconfidence in one's own position may lead to neglecting the need of other people.

   Integrative bargaining is difficult to achieve for various reasons. If the history of past relationship has not been very harmonious and if the parties have still to bargain with each other because of uncontrollable circumstances, it becomes difficult to find integrative solutions. Most of the time is spent on pointing out the problems and losses and in all negotiations there is always an element of distributive win-lose situation. No one would like to be a loser, thus the parties try to get as much as possible from the negotiation situation. Often compromise is made in such situations that leads to both parties making sacrifices. Compromise takes place because the parties want to avoid conflict or extended negotiation. The parties feel that the cost of conflict or extended negotiations is larger than the gains to be had from it

4. The integrative conflict resolution style directs the energies of the conflicting parties at defeating the problem and not at each other. Attempts are made to clarify the problem by exploring facts and expressing personal feelings. Although time consuming, this approach allows people to disagree, work on those disagreements in light of facts, and help achieve a better understanding of each other (Filley, 1975).

   This approach to conflict resolution is based on certain beliefs and attitudes that provide the foundation for the interpersonal communication skills that must be used. Filley (1975) suggested that following beliefs would be conducive to the problem-solving approach:

   (i) Belief in the availability of a mutually acceptable solution that will achieve everyone's goals.

   (ii) Belief in cooperation rather than competition.

(iii) Belief that everyone is of equal value-no status or power imbalance is involved.

(iv) Belief in the view expressed by others as legitimate statements of their position.

(v) Belief that differences of opinion are helpful.

(vi) Belief in the trustworthiness of the other member.

(vii) Belief that the other party can compete, but chooses to cooperate.

The skill of establishing open and mutual trust is critical for conflict resolution (Deutsch, 1973; Doolittle, 1976). A trusting atmosphere encourages individuals to take the existential risk involved in open, constructive confrontation. Trust is also conducive to the maintenance of the relationship between the conflict parties (Deutsch, 1973). Trust can be demonstrated by a conflict party through the use of congruent verbal and non-verbal communication channels (Gahagan & Tedeschi, 1968; Satir, 1964). Conflict parties must speak and behave in ways that demonstrate trust, thereby encouraging the other conflict party to respond in a trusting and cooperative manner. Another skill of integrative conflict resolution is the use of positive and supportive messages (Alexander, 1979).

The integrative style of resolution is appropriate in interpersonal conflicts because the parties desire not only the resolution of the issue but just as importantly want to maintain a satisfactory relationship with the other person. The more developed the interpersonal communication skills of the conflict parties, the greater the chance for constructive, integrative outcomes (Cupach, 1982).

Integrative conflict resolution fosters healthy relationships. A systematic, comprehensive educational programme that encourages the building of constructive interpersonal skills could empower individuals for more integrative conflict resolution within their valued relationships.

Win-win Negotiation: Expanding the Pie

Most negotiations are not win-or-lose enterprises. Unfortunately, however, most people approach them as though they are. Win-win negotiation strategies are anything but intuitive, and many people who regard themselves to be win-win negotiators are often the people who leave money on the table without even realizing it. We need to be hyper vigilant concerning the creation and maximisation of the pie of resources. This unit provides managers with strategies for realising all of the potential from negotiation situations.

What is Win-win Negotiation Anyway?

Many negotiators, upon reaching agreement, will proudly describe their negotiation as win. However, closer inspection usually reveals that money was squandered, resources wasted, and potential joint gain untapped. Clearly, negotiators' minds and hearts were in the right places, but they did not achieve what they really wanted – an integrative

Notes

agreement that fully leveraged parties' interests and all available options. Win-win negotiation is a nice idea that is too often poorly understood and poorly acted upon. Most people erroneously equate win-win negotiations to mean splitting the pie evenly. Obviously, dividing the pie is always necessary in negotiation, and people can feel emotional about it. However, win-win means something entirely different. Win-win is not:

1. **Compromise:** Compromise is middle ground between negotiators' positions. Usually, it means any space within the bargaining zone. Win-win negotiation does not pertain to how the pie is divided, but rather, to how the pie is enlarged by negotiators. In several instances, negotiators may make compromises, yet leave money on the table.
2. **Even split:** Even splits, like compromises, refer to how the bargaining zone is divided among the negotiators. For example, two sisters who quarrel over an orange and ultimately decide to cut it in half have reached an even split. However, if they fail to realise that one sister wants all of the juice and the other wants all of the rind, it is painfully clear that the even split is not win-win (Follet, 1994). An even split of resources in no way ensures that an integrative agreement has been reached.

   For example we can say that in a company employees are on strike and they want that their pays should be increase and they should also provide cabs to employees. Finally the Employer has reached to a decision to provide cabs to employees but not to hike the pay of Employees. In this case the Employer has only agreed to 50% demands and from this case its clear that even split is not win-win.
3. **Feeling good:** Happiness or feeling good is no guarantee that money and resources have not been wasted; in fact, many "happy" negotiators do not expand the pie (Thompson, Valley, & Kramer, 1995).
4. **Building a relationship:** Building a relationship and establishing trust is an important aspect of negotiation. However, it is not sufficient to proclaim a negotiation as win-win. Even people with a genuine interest in the other party may not be thinking creatively and crafting win-win deals. In fact, people who would seem to have the most interest in building a relationship with the other party (for example, husbands and wives, dating couples, and long-term partners) often fail to reach integrative agreements (Fry, Fire stone, & Williams 1983; Thompson & De Harpport, 1998; Kurtzber & Medves, 1999).

   Win-win negotiation really means that all creative opportunities are exploited and no resources are left on the table. We call these outcomes integrative negotiations. In hundreds of examples, money is left on the table in real-world negotiations; the problem is that people do not realize it.
5. **Telltale signs of win-win potential:** Integrative potential exists in just about every negotiation situation. However, people often fail to see it or do not believe that win-win is possible. Most negotiations do not appear to have win-win because whatever

one party gains, the other party loses, however, even in the simplest of negotiations, it is possible to identify more than one issue. The probability that negotiators will have identical preferences across all issues is small, and as we will see, it is differences in preferences, beliefs, and capacities that may be profitably traded off to create joint gain (Lax & Sebenius, 1986). For example, in the peace treaty talks between Syria and Israel, technical experts formed committees to identify several issues, including the extent of an Israeli withdrawal from the Golan Heights, water rights, security measures, and the time-table for implementing an agreement. Israel puts the emphasis on Security guarantees, and Syria placed greater weight on the withdrawal from the Golan Heights, thus allowing a more integrative agreement to emerge (USA Today, January 5, 2000).

Can other issues be brought in?

Another strategy is to bring other issues, not previously considered, into the negotiation. For example, in a four-day negotiation between San Marino, California, and the local fire fighters association, the key issue was salary. Fire fighters wanted an increase. The negotiators began searching for several options to reach this goal by connecting benefits to wages, allowing cost savings to be distributed to fire fighters, and taking on additional duties (thereby increasing incomes). In addition, management spent a great deal of time providing the fire fighters within formation on cost benefit analyses, operating costs, and other relevant budgetary information so that all parties could evaluate which options were the most practical and beneficial. This information sharing contributed not only to this negotiation but provided helpful information for future organisational discussions.

Can side deals be made?

In many situations, people are strictly cautioned not to make side deals or side payments, in contrast, the ability to bring other people into negotiations to make side deals may increase the size of the bargaining pie.

Do Parties have different Preferences across Negotiation Issues?

If parties have different strengths of preference across the negotiation issues, by definition, it is a win-win negotiation (Froman & Cohen 1970). Again, consider the orange-splitting example. Essentially, the situation involves two issues: the juice and the rind. Moreover, with regard to preferences, one sister cares more about the juice, the other cares more about the rind, then an integrative agreement would not be possible. The key is to determine each party's preferences and devise a means of satisfying each party's most important interests while inducing them to make concessions on lower-priority issues. Another example: the war over Colorado River water pitted cities against farmers, fomented tensions among seven states, and dominated the attention of Native American Indian tribes, environmentalists, federal officials, and Mexico.

Notes

Strategies that Work

1. **Build trust and share information:** Negotiators who build a trusting relationship and share information greatly increase the probability that a win-win outcome will be reached (Bazerman & Neale). It is important to realise that the information that negotiators need to share is not information about their BATNAs, but rather, information about their preferences and priorities across the negotiation issues.
2. **Ask diagnostic questions:** A negotiator could ask the other party in a negotiation any number of questions.
3. **Provide information:** It is a fallacy to believe that negotiators should never provide information to their opponent (Bazerman & Neale, 1992). Negotiations would not go any where if negotiators did not communicate their interests to the other party. Remember, you should negotiate as you would with your fraternal twin; if you do not provide information, neither will the other party. A negotiator should never ask the other party a question that he or she is not willing to answer truthfully. The important question, then, is not whether to reveal information, but what information to reveal.
4. **Unbundle the issue:** One reason why negotiations fail is because negotiators haggle over a single issue, such as price. By definition, if negotiations contain only one issue, they are purely distributive. Skilled negotiators are adept at expanding the set of negotiable issues. Adding issues, unbundling issues, and creating new issue can transform a single-issue, fixed-pie negotiation into an integrative, multi-issue negotiation with win-win potential (Lax & Sebenius, 1986). Integrative agreements require at least two issues and, in the case of negotiation more the issues (not parties), the more the merrier.
5. **Make package deals, not single issue offers:** Most negotiators make the mistake of negotiating each issue one by one. This approach is a mistake for several reasons: First and foremost, negotiating each issue separately does not allow negotiators to make trade-offs between issues. To capitalise on different strengths of preference, negotiators need to compare and contrast issues and trade them off. Second, it may mean that impasses is more likely, especially if the bargaining zone is narrow and trade-offs are necessary to reach a mutually profitable outcome. Finally, single-issue offers lure negotiators into compromise agreements, which as we have seen, are usually not the best approach for win-win negotiations.
6. **Make multiple offers simultaneously:** In some cases, negotiators are disappointed and frustrated to find that their attempts to provide and seek information are not effective. It happens most commonly in the face of high distrust and less than amicable relations. Now what? Is all hope lost? Can the negotiator do anything to change the situation? Fortunately, the answer is yes. The strategy of multiple

simultaneous offer can be effective even with the most uncooperative parties. (Bazerman & Neale, 1992; Kelley & Schenitzki, 1972; Kelley, 1966).

7. **Make the offers all at the same time:** This last point is the hardest for most people to do because they negotiate like playing tennis. They make one offer and then wait for the other party to "return" a single offer; then they make a concession, and so on and so forth. In the multiple-offer strategy, a negotiator presents a "dessert tray" of offers to the other party and invites a reaction. Note: The other party should be cautioned that "cherry picking" (e.g., selecting the terms from each option that most suit him or her) is not permissible. Rather, the offers are truly "package deals" (Schatzki, 1981).

   Thus, above strategies show that while dealing an issue, the negotiator should:

   (i) Be aggressive in anchoring

   (ii) Gain better information about the other party

   (iii) Be more persistent and more persuasive regarding the value of an offer

   (iv) Overcome concession aversion—when people perceive themselves as having more choices (as opposed to only one), they may be more likely to comply. For example, when Ross Johnson, a member of the California Senate was faced with a legislative bill that he hated, he did not kill it outright.

Structure Contingency Contracts by Capitalising on Differences

Negotiators not only have differences in interest and preference, but they view the world differently (Lax & Sebenius, 1986). A book author may believe that the sales will be high; the publisher believes it will be more modest. Different interpretations of the facts may threaten already tenuous relations.

Negotiators can exploit differences to capitalise on integrative agreements in a variety of ways (Lax & Sebenius, 1986). Consider the following differences and the opportunities they create:

1. Differences in the valuation of the negotiation issues
2. Differences in expectations of uncertain events
3. Differences in risk attitudes
4. Differences in time preferences
5. Differences in capabilities

A Strategic Framework for reaching Integrative Agreements

The discovery and creation of integrative agreements is very much like problem-solving that requires creativity. Integrative agreements are devilishly obvious after the fact, but not before. Because negotiation is an ill-structured task, with few constraints and a myriad of possible "moves," a royal road for reaching integrative agreement does not exist. Look at the decision making model of integrative negotiation.

Resource Assessment

Resource assessment involves the identification of the bargaining issues and alternatives. Later stages of resource assessment move beyond the mere identification of issues and alternatives to two higher-order processes: the unbundling of issues and alternatives, and the addition of new issues and alternatives. Unbundling (Lax & Sebenius 1986) of issues is important in negotiations that centre around a single issue. Because mutually beneficial trade-offs require a minimum of two issues, it is important to fractionate conflict into more than one issue. In other instances, it may be necessary to add new issues and alternatives facilitated by discussing parties' interests.

1. Assessment of Differences
2. Offers and Trade-offs
3. Acceptance/Rejection Decision
4. Prolonging Negotiation and Renegotiation

To achieve win-win situation in negotiation, the best strategy should include—providing your opponent information about your priorities and preferences (not your BATNA); unbundling issues; making package deals (not single-issue offers); making multiple offers simultaneously; structuring contingence contracts that capitalise on differences in negotiators' beliefs, expectations, and attitudes; and using pre and post-settlement strategies. In their attempts to expand the pie, negotiators should not forget about claiming resources.

Union-management collective bargaining has often been used as a classic example of the distributive bargaining process. Often, the tendency for the parties to use collective bargaining rests on a long history of perceived abuse and mistrust on both sides of the table. But recent work shows that integrative negotiation can be successful even in this context. Post and Bennett (1994) report the results of a five-step process that, when introduced into a union-management negotiation, successfully reduced grievances from 40 per year, under the previous contract, totwo in 18 months under the new contract. It significantly reduced anger and hostility between the parties, and enhanced the spirit of cooperation in the plant. Those five steps were as follows:

1. A commitment phase, occurring twelve and six months before the expiration of the current contract, during which the parties commit to participate in a collaborative process, including commitments to harmonise negotiation philosophy, negotiation process, and articulate the respective interests of the parties.
2. An explanation phase, occurring one month before contract expiration, during which the parties hold their first meeting, present their respective proposals to each other, introduces up porting documentation, and set a time-table for remaining meetings.
3. A validation phase, occurring two to four weeks prior to contract expiration, in which the parties gather information from employees and employers about the validity of the interests expressed in the opening statements. This information is

used to generate a collective consensus about the relative importance and priority of the interests to the constituencies of both groups.

4. A prioritisation phase, occurring two weeks prior to contract expiration, in which the parties work together to develop a joint list of priorities based on the data. This process is often facilitated by a mediator, who uses the commitments generated in the commitment phase to help the parties represent their priorities genuinely and candidly.
5. A negotiation phase, occurring one week prior to the contract expiration, in which the parties meet in a series of frequent and intensive gatherings to negotiate a resolution to the prioritised list of interests. Once again, this process is often facilitated by a mediator, whose role is to vigorously ask questions of the parties, hold them to their agenda, and ensure that the negotiations proceed in an open and trusting atmosphere that this process requires the ongoing participation of a mediator, who acts as a referee and as a monitor of the parties' commitment to stay with an integrative process. Whether the parties could learn to trust each other to sustain such a process without an active third party role is still a matter of debate.

Conscious and Unconscious Determinants of Negotiation Performance

Facts and circumstances, including relative power, as well as time constraints, of course, affect negotiation options and outcomes. However, our human interaction is affected by who we are and with whom we interact. Personality and temperament, values and beliefs, perception, attitudes, style of learning, motivation, way of thinking, style of communication, approach to conflict, fears, and much more determine who we are in any human interaction. We are shaped by our experiences. We often unconsciously adopt the attributes of significant others in our life. Each one of us has a unique combination of attributes that serve as the base for our personal power.

We are not always conscious of these attributes and characteristics the other factors inherent in negotiation. We must know who we are if we are to use our strengths. We must know who we are if we want to consciously develop the attributes we desire. We must also be aware of certain psychological phenomena that may cause us to believe things that are not so. Sometimes we suffer from distortions in our perceptions and thinking that causes us to miss opportunities and make poor choices in negotiation.

Team Negotiation Skills

Introduction

Negotiation skills help you to resolve situations where what you want conflicts with some one else's interests. As we discussed with in the assertiveness skills section, there are wrong ways of handling these situations: With an aggressive approach, you could seek to overpower the other person to give what you want. This is clearly damaging to subsequent teamwork. With a passive approach, you could simply give in to the other person's wishes. This is clearly not good for you.

The aim of negotiation is to explore the situation, and to find a solution that is acceptable to both people.

Different Styles for Different Situations

There are different styles of negotiation, depending on circumstances. Where you do not expect to deal with people ever again, and you do not need their goodwill, it may be appropriate to play hardball. Here you may seek to win a negotiation, while the other person losing out. Many people go through this when they buy or sell a house, which is why house buying can be such a confrontational and unpleasant experience.

Similarly, where there is a great deal at stake in a negotiation (for example, in large sales negotiations), then it may be appropriate to prepare in detail, and use gamesmanship to tendovaginal.

These approaches are usually wrong for resolving disputes within a team. If one person plays hardball, then this puts the other person at a disadvantage. Similarly, using tricks and manipulation during a negotiation can severely undermine trust, damaging subsequent teamwork. While a manipulative person may not get caught if negotiation is infrequent, this is not the case when people work together on a day-by-day basis. Honesty and openness are the best policies in team-based negotiation.

Preparing for a Successful Negotiation

Depending on the scale of the disagreement, a level of preparation may be appropriate for conducting a successful negotiation. For small disagreements, excessive preparation can be counterproductive because it takes time that is better focused on reaching team goals. It can also be seen as manipulative because just as it strengthens your position, it weakens the other person's.

If a major disagreement needs to be resolved, preparing thoroughly is warranted, and worthwhile. Think through the following points before you start negotiating:

- **Goals:** What do you want to get out of the negotiation? What do you expect the other person to want?
- **Trading:** What do you and the other person have that you can trade? What do you and theother person have that the other might want? What might you each be prepared to giveaway?
- **Alternatives:** If you don't reach agreement with him or her, what alternatives do you have? Are these good or bad alternatives? How much does it matter if you do not reach agreement? Does failure to reach an agreement cut you out of future opportunities? What alternatives might the other person have?

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

Style is Critical

The best approach for negotiation within a team is to adopt a win-win approach, i.e. one in which both parties feel positive about the situation when the negotiation is concluded. This helps to maintain a positive working relationship afterwards.

This governs the style of the negotiation. Histrionics and displays of emotion are clearly inappropriate because they undermine the rational basis of the negotiation and bring a manipulative aspect to it.

Despite this, emotion can be an important subject of discussion. For a team to function effectively, the emotional needs of team members must be fairly met. If emotion is not discussed where needed, the agreement reached can be unsatisfactory and temporary. Be as detached as possible when discussing your own emotions. Perhaps it would be best to discuss your emotions as if they belonged to someone else.

Negotiating Successfully

The negotiation itself is a careful exploration of your position and the other person's position, with the goal of finding a mutually acceptable compromise that gives you both as much of what you want as possible. Note that the other person may quite often have very different goals from the ones you expect!

In an ideal situation, you will find that the other person wants what you are prepared to give, and that you are prepared to give what the other person wants.

If this is not the case, and one person must give way, then it is fair for this person to try to negotiate some form of compensation for doing so. The scale of this compensation will often depend on the many of the factors we discussed above. Ultimately, both sides should feel comfortable with the final solution if the agreement is to truly be considered a win-win agreement

1.18 Negotiation Process and Preparation

Negotiation is an art of creating agreement on specific issue between two (or more) parties with differing views. Negotiation is a live-skill than a mere business technique and that skill is acquired by learning, training and practising. Everyone has some experience in negotiation, but in business world, we can not leave negotiation to such inexperience and naive, because prices of failure are very high. How do you negotiate makes enormous difference in the outcome. Therefore, all precautions have to be taken to go for professional negotiation.

The success of such negotiation depends on many factors, but the most important is the ability of the negotiator, who charts out a course of this unpredictable encounter and sends a feeler to the other side that the process is useful and that they may stand to benefit from it.

Negotiation processes have two vital dimensions—the decision-making processes and different structures or stages or steps. A 'route-map' along with balancing decision-making makes the face to face meeting go in right direction.

Steps in Negotiation

Preparation

Failing to prepare is preparing to fail. It is engaging the brain before opening the mouth. It is like being ready to be comfortable in different situations.

1. Think ahead
2. Set clear objectives
3. Anticipate possible reactions
4. Work out strategies – (structure and sequences).
5. Preparation provides a road map not a straitjacket intended to be straight forward to the point and effective and not restrictive.

Objective should be SMART

Simple - Easy/precise

Measurable – Qualifiedly, as far as possible

Achievable – Not too high beyond the counting capabilities of other side. Realistic - Must help organization and add value

Timed – Time frame within which you can judge the success Basics required for thorough preparations are as follows:

Data, practices, information, rules, laws, repercussions–financial and otherwise etc.

1. Government legislations – what flexibilities do they allow? How can they be utilized to the bent advantages.
2. Company's rules/policies – how rigid/flexible are they? Have or have not exception made in the past? Can they be justified?

3. Prevailing wage rates/fringe-benefits in the area; industry, nationally in other industries.
4. Productivity figures – linkage of productivity with wages. History of recent settlement.
5. Previous agreements
   (i) In other companies
   (ii) Within the company.
6. Past, present and future profitability/loss of the company
7. Customs/practices in the company.
8. Wage-cost:
   (i) Basic wage
   (ii) Overtime
   (iii) Shift-premium
   (iv) Fringe-benefit
9. Work out basket of alternatives.
10. Calculate the cost of different alternatives.
11. Fix the bottom line.
12. Obtain approval.

    Do not assume that the other party does not know the above facts – they know as much as you do, at least.
13. Formation of team is yet another preparation that is required to be done from all relevant discipline – technical process and legal experts, etc. A team only to be fielded, with full power.

    Preparation involves the management of internal dimension or managing the team, so that everyone speaks the same language. A team generally consists of stabilizers, de stabilizes and principled or assertive negotiations and they are required to be managed to behave as a cohesive team. Leader of the team must be acceptable to all and capable of leading the team and negotiation.
14. Form core groups out of big team. Preparation also includes fixing the bottom-line of the terms of settlements and working out final strategies to achieve them. But these strategies must be flexible enough to accommodate reasonable demands of opposite side.

    Preparation gives confidence during negotiation session. Therefore, these pre-negotiator executes must be done.

Steps to Deal

Every important endeavour benefits from preparation. Negotiating is no different. People who know what they want, what they are willing to settle for, and what the other side is all about stand a better chance of negotiating a favourable deal for themselves, as the following example makes clear.

For the negotiator, preparation means understanding one's own position and interests, the position and interests of the other party or parties, the issues at stake, and alternative solutions. It means learning as much as possible about concepts introduced in the previous unit: your BATNA and reservation price and those of the other parties, the zone within which an agreement can be stuck, and opportunities to create more value. It also means understanding the people with whom you'll be dealing. We'll explore these and other preparation issues through the se steps:

1. Consider what a good outcome would be for you and the other side.
2. Identify potential value creation opportunities.
3. Identify your BATNA and reservation price, and do the same for the other side.
4. Shore up your BATNA: Tough negotiators are experts at recognizing this neediness in their adversaries, and expert in creating it as well. Negotiators with giant corporations, in particular, will heighten the expectations of their supplier adversaries, painting rosy, exaggerated scenarios for mega-orders, joint ventures, global alliances, all for the purpose of building neediness on the part of their adversary. Then, when the neediness is well-established, they lower the boom with changes, exceptions, and demands for concessions.
5. Anticipate the Authority Issue: Conventional wisdom insists that the negotiator on the other side of the table must have full authority. Otherwise, you will become risk falling victim like the old "car dealer"trick, where just as you are about to reach agreement with the salesman, he says, " I'll have to clear this with my manager." In other words, the negotiation with the salesman is used to bring you to your bottom line, the second negotiation, with the manager, aims to push you beyond it.
6. Learn all you can about the other side's people and culture, their goals, and how they have framed the issue: Negotiating is, at bottom, an interpersonal activity. Seasoned negotiators understand this and make a point of learning as much as they can about the people with whom they must deal. Who are those individuals on the other side of the table? Are they experienced negotiators or novices? Are they aggressive or are they conflict–avoiding accommodators? Is the culture of their organization bureaucratic or entrepreneurial? Are the people at the table authorized to make a deal, or must they run back to their bosses for instructions and approval? Perhaps more important, what are they attempting to achieve and how critical is this negotiation to their business? Seeking answers to these questions is part of pre negotiation preparation and should continue at the table itself. You should, for example, ask the other side to provide the names and titles of its negotiating team. Once you have those names, ask around your company or around the industry.

1.19 Invitation to Negotiation

This is opening and taking off stage of negotiation. Therefore, it deserves all care.

1. Take initiative in fixing the time, venue, and agenda of the meeting.
2. Initiate the negotiation processes.
3. Take control of organization of the meeting.
4. Sell the concept of the agreement before you start negotiating the terms.

Presentation

This is the occasion to present your ideal terms as declaration of your opening position as also occasion to judge and weigh the demands of the other side. It is exploratory stage – where we gauge the attitude, strength and importance of demands.

Negotiation is like see-saw game. It is to and fro process, moves up and down and balance (agreement) comes after some time. Thus, it gives both – (a) an indication of area of agreement, and (b) set the scene for final bargaining.

Setting your opening position requires a lot of skill and may differ from situation to situation. You may open-up with general explanation of demands and may refer back the previous agreements, if any. You may open a short discussion on neutral subject to ally any hostility and get the other side into conversation. You may present the value that your offering is giving.

As this is the initial encounter, you can expect brickbats and emotional outbursts. It is natural to see scenario of venting anger, anguish emotions. Displaying attacking postures, blaming, cursing, anguish and threatening are also common. Even walk outs and other threats are also resorted to. These tactics are adopted by union to create panic and nervousness to get early concessions.

Some don'ts

1. Do not overreact.
2. Do not become over – emotional.
3. Do not lose patience/temper.
4. Do not be unpleasant.
5. Do not be provocative.
6. Do not insult them.
7. Do not push them too hard at this moment.
8. Do not be panicked.

Some dos

1. Be professional in approach.
2. Look confident, relaxed and at ease.

Notes

3. Be open, sincere, honest and credible.
4. Show respect and value for the other side.
5. Show empathy and understanding for the other side.
6. Show commitment for 'win-win' outcome.
7. Give counter-demand, if need be to create counter-pressure.

1.20 Bargaining

Bargaining session is the most important and crucial stage of negotiation processes. It is real negotiation of skill and expertise. You need to be assertive and powerful while giving respect to the views of other side.

There are two golden rules:

1. "Never give a concession, trade it reluctantly" – cheap to give and valuable to receive. Do not give any thing for nothing. It is not like PSUs Collective Bargaining where Union goes to collect and Management to bargain.
2. "Enhance and Reduce every concession" i.e. build-up value for whatever you are offering and minimize the value of whatever is being offered to you.

Enhance

E Implies that this is an Exceptional concession (I would never normally do this but.............)

N Refers to Need that your concession will solve (well, this concession will remove your long pending need to ....)

H Refers to History, if that concession was demanded in the past (we never agreed for this in the past – but in the interest of good we will agree.............)

A Implies that you may be in trouble for exceeding your Authority (I do not know what my boss will say but.........)

N You agree for Nourishment to your relationship (....... Because we have to work together).

C Stress the Cost (financial or otherwise) to you – (Well, I agree, but the cost will be.........)

E Provide Evidence in concrete term by citing example – fact, figures etc. as to what this demand mean.

Such lead in build credibility, add value and become more acceptable.

Reduce

Reduce their concessions warning

1. Do it carefully.
2. Do not overplay.
3. Do not antagonize.

R Acknowledge their concessions but Reduce them – (well, that is a small step forward, I suppose) or quote the value that sound smaller (some beginning has been made, at least etc.)

E Treat them as given; Expected rather than valued – (that was expected, nothing new has come, any way etc).

D Deny any real value (that does not really help me).

U Underplay the expressions – even thank both in words and tone (thank rather than thank you very much).

C Contribute it back to them – (well, if that would help you, let us do that way).

E Reject with Empathy – (well I can see that you might think that would be acceptable to us, but .....)

Dealing with reluctant bargainers

Three things you can do to help reluctant bargainers reach this conclusion:

1. Offer incentives
2. Put a price on the status quo
3. Enlist support

Making a Good Start

1. Express respect for the other side's experience and expertise.
2. Frame the task positively, as a joint endeavour.
3. Emphasize your openness to the other side's interests and concerns.

The negotiation environment can affect the level of tension and openness that prevails. If you are interested in lowering tension and seeking collaborative discussion, follow these tips:

1. Never underestimate the value of "breaking bread". In practically every culture, breaking bread is a bonding ritual. So have coffee, soft drinks, and light snacks available with reluctant bargainers.
2. Use small talk at the beginning to dispel tension, lower people's natural defenses, and begin the process of building relationships. Even in a win-lose negotiation, small talk helps the different sides know each other better and gauge each other's truthfulness. It may also loosen people up the point of seeking value creating opportunities.
3. Learn from what the small talk reveals about the other negotiator's style and manner.
4. If the other side is very formal, don't speak too casually- they may interpret this as a lack of seriousness on your part. If the other side is decidedly informal, speak in a more casual way, perhaps using metaphors with which they are comfortable.

1.21 Negotiation Process

Wage negotiation was once described by a trade union leader as it was a movement wherein "both the sides are walking towards each other" to reach a mutually acceptable position. He said he aimed to get the employer's to walk faster and with bigger steps. This can be illustrated through a simple diagram.

It is implied in negotiation to move from somewhere and to move somewhere. In negotiation parties involved move from their ideal position to a settlement point, which is mutually Figure 1.1 Negotiating Continuum acceptable. The position of this settlement point depends on the relative bargaining strength and skill of the negotiator. In this situation one of the parties may have to move or less as compared to the other one.

If we assume there are two parties to the negotiation, A and B, each given freedom of choice would select the position most favourable to one's interest, i.e. one's ideal point. However, both being aware that it is unlikely to persuade the other party to one's ideal, it becomes imperative for both to move a little way towards the other party's position. There is, however, a limit to this movement, sometimes referred to as the 'Break Point'- where the parties would prefer to break off the negotiation rather than to settle beyond their fallback or the 'Worst Case'. This may be the limit of the negotiation authority i.e. the range of settlement authorized to the negotiator lies between his idea and break point. In Figure 1.1 the overlapping portions of both the lines indicate the 'Bargaining Arena'. The settlement can be reached anywhere within this area.

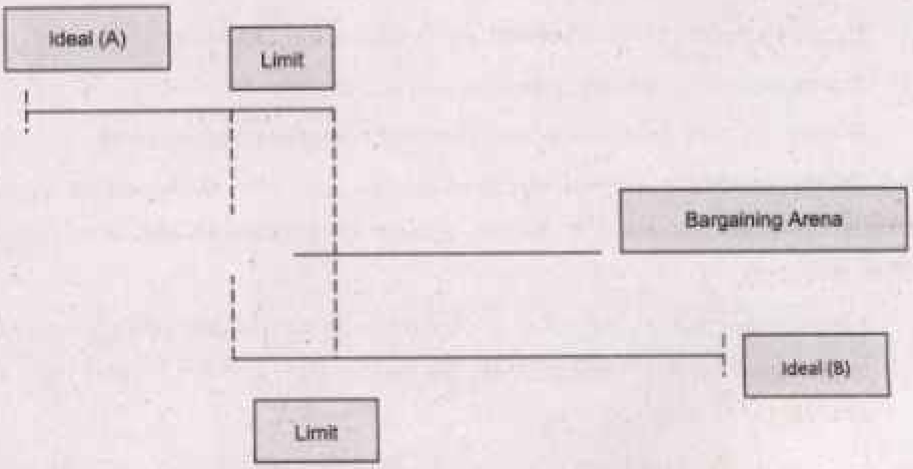


Figure 1.1: Negotiating Continuum

As the negotiation proceeds, the negotiator may see the cause to review their limit and may seek the authority to move the limit. But in case going beyond the authority, would lead to there pudiation of the negotiated settlement. If they contemplate settling beyond their negotiating limit it may attract disapproval or repudiation. Thus the limit (authority) works as a constraint upon the negotiator and it is most likely that they would seek authority to do so.

Postponement of a decision for seeking fresh instructions is a legitimate reason. Trade Union generally insist that their agreement is subject to endorsement by their members, even thought hey are settling well within their limits. Commercial negotiators regularly insist that their agreement is subject to approval of the board. Negotiators generally talk about the 'rooms for manoeuvre', which refers to the range of possible settlements open to them.

There are other possibilities too. The two may negotiate to their limits, but since their limits do not overlap, they can not reach to any settlement, in this circumstance, the negotiation maybe come deadlocked.

In this case since both the lines are at a gap, suggesting no possibility of a settlement. As a result they may end up in a deadlock or one (or both) will have to revise their limits. In this situation Figure 1.2: Deadlock either of the parties may use sanction against the other to persuade adjustment of one's limit and try to achieve a meeting of the lines. This is most commonly seen in the form of a strike or a cutting off of suppliers in credit.

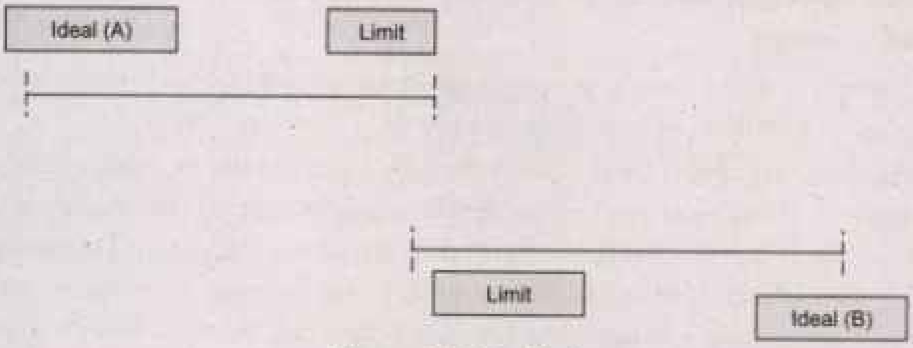


Figure 1.2: Deadlock

It is also possible that new information emerges or new circumstances occur during the negotiation, necessitating alteration in the pre-negotiation ideal and limit continuum.

Figure depicts another possibility where A's range overlaps B's ideal. If B discovers this during negotiations, he will have a choice of settling at his ideal or revising it (revised ideal), as shown by the dotted line-if he does not discover this, he may settle for less than he needed to. dotted line-if he does not discover this, he may settle for less than he needed to.

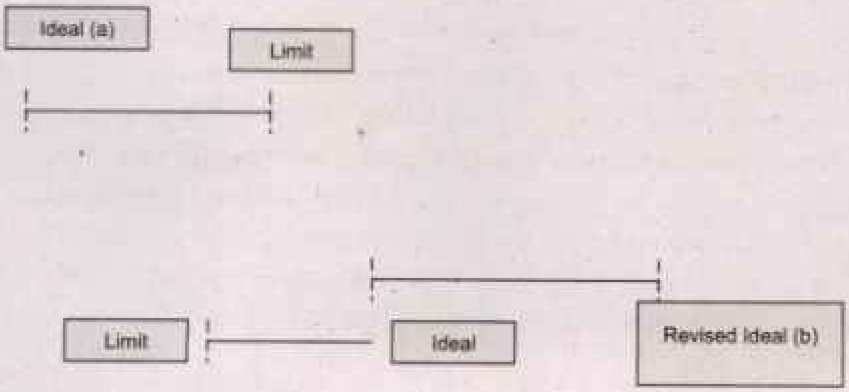


Figure 1.3

Firstly negotiation process aims at getting into bargaining arena. Once the negotiators are in the bargaining arena, settlement, depends on their relative bargaining skill, leading to how much are travels to reach the settlement point. Ensuring implementation of the agreement is also a Firstly negotiation process aims at getting very crucial aspect besides securing it at the least cost. One of the most difficult test of the negotiation training may be does it work in practice?

There are various ways and approaches of improving negotiating performance. As said earlier the real test is if it works in practice. One of the processes based on practical experience of participation an detailed study of the negotiations, focusing on the skills of negotiating is known as Eight Step Approach. This approach has been quite popular and have also been validated, by the experienced of negotiating in industrial relations and commercial dealings. These skills are set in real-world environments and successful training requires that the credibility of the approach remains high with the practicing managers.

Attempts to train management negotiators through abstract theories of negotiating and the use of extremely artificial issues is likely to be much less effective.

Psychological school of negotiators is primarily concerned with the belief system of the negotiators. It is popular with some managers because they believe that the source of industrial conflict can be found in personality disorders of their opponents. The training values of various alternative approaches are difficult to be accepted as negotiating such as 'need theory' or over compelled manipulative bargaining. The need theory implies that the negotiator is separate from the interest which he is presumably serving. Much the same is implied in transactional analysis approaches. Both may improve the inter-personal relationship of the parties, if only, because the divisive irritants are suppressed. Similarly, an over-complex manipulative approach leaves a great deal to be desired. The parties are expected to make estimates of probabilities of various outcomes and then, to calculate the likely rewards associated with these outcomes, weighted by the probability of them occurring.

In Eight Step Approach, the negotiating sequence has been broken into eight main steps through which negotiations will go, if agreement is to be reached, though not necessarily in a rigid order, nor with equal attention of time to each step.

What differentiates are step from the next is the differing skills which are appropriate in each case. These steps may help you identifying your surroundings so that you may head off incorrect direction to reach the agreement. The eight steps are:

1. Prepare
2. Argue
3. Signal
4. Propose
5. Package
6. Bargain

7. Close
8. Agree

Four of the eight steps (underlined) are the crucial phases of negotiation. If the negotiator fumbles in these steps due to any reason, the deal struck, if at all, is more likely to be poorer than it need have been.

Be prepared for Concessionary Moves

Once an anchor point is on the table, the parties generally engage in a set of moves and countermoves that they hope will end in an agreeable price or set of arrangements.

The best advice about concessions is to avoid the impulse to make them. Few of us like negotiating, so we want to get it over as quickly as possible. And as social creatures we want other people to like us, and to view us as reasonable. These factors often make inexperienced negotiators too ready to make concessions. If you find yourself in this category, here are a few tips:

1. Look to your BATNA before you consider making a concession. If your BATNA is very strong (especially relative to the other side's) a concession may be unnecessary in making a deal.
2. If you're impatient to get it over with because negotiating is stressful, take a break before you consider a concession. If the other side is expecting a ₹ 10,000 concession on the price of the home you are selling, think about how difficult it was for you to earn that ₹ 10,000.

   Think about the good things you could do with the ₹ 10,000 the other side would like you to give away. Ask yourself, 'Is getting rid of a little stress worth ₹ 10,000?
3. If your need to be liked or seen as a reasonable person is urging you to make a concession, forget about it. The other side is more likely to view you as a chump or an easy mark if you concede too readily. Remember, that deal making isn't about making friends.

The Ticking Clock

In a buyer – seller negotiation, time can be an important tool.

Tactics for Integrative Negotiations

Getting Started

There's a big difference between keeping your mouth shut while the other party is talking and what communication experts refer to as "active" listening. Active listening helps you capture what the other side has to say while signaling that you are alert and eager to hear what the other side has on its mind. Here are some tips which will help you in any type of negotiation for being an active listener.

1. Keep your eyes on the speaker.
2. Take notes as appropriate.

3. Don't allow yourself to think about anything but what the speaker is saying.
4. Resist the urge to formulate your response until after the speaker has finished.
5. Pay attention to the speaker's body language.
6. Ask questions to get more information and to encourage the speaker to continue.
7. Repeat in your own words what you've heard to ensure that you understand and to let the speaker know that you've processed his or her words.
8. Look for options that exploit differences.
9. Access to resources.
10. Future expectations.
11. Time preference.
12. Risk aversion.

Continual Evaluation and Preparation

Normally we think of negotiating as a liner process of preparation, negotiation and eventual agreement or failure. The first step takes place away from the table the rest take place at the table. In simple interactions, this model often holds true. But many other negotiations are complex and can take place in succeeding rounds and involve several different parties. New information can appear at various points casting new light on the issues at stake. Different parties can offer concession or heighten their demands. This more complex dynamic negotiation suggests a non-linear approach to the preparation process.

1.22 Non-linear Negotiating Process

So instead of setting your course based on pre- negotiation information, consider doing the following:

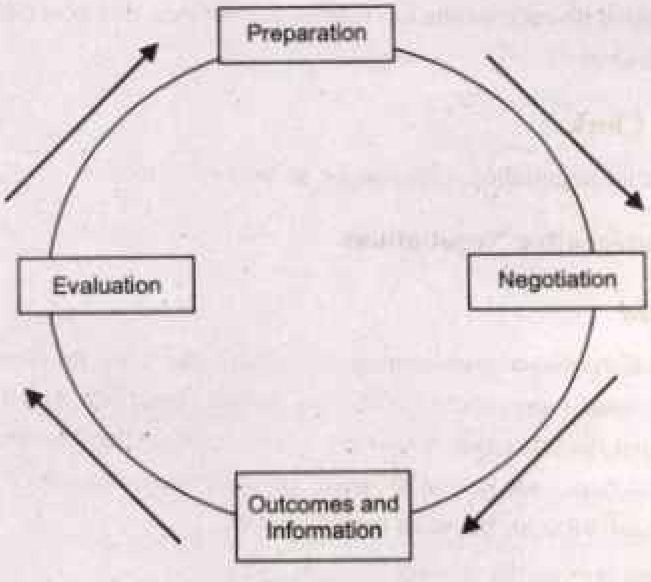


Figure 1.4

1. Take small steps, gathering better information as you proceed.
2. Continually learn from new information and the behaviour of the other side.
3. Use that learning to adjust and re-adjust your course as you move forward.

Evaluation is another important element of the process, and should be part of your tactics. Periodically, you should put a little distance between yourself and the negotiations and ask: How are things going? Are negotiations proceeding along a track that will eventually serve my goals? Are they playing my game, or am I playing theirs? Whose frame dominates the talks? If I were representing the other side, how would I answer these questions?

Barriers in Agreement

Typical barriers to negotiated agreements and what you can do to overcome or eliminate them:

1. Die-hard bargainers will pull for every advantage and try to make every concession come from you. You can deal with these people if you understand the game they are playing, withhold useful information from them (they'll only use it against you) unless they demonstrate a willingness to reciprocate, and make it clear that you don't mind walking away. If you don't want to walk away- or cannot – do whatever you can to strengthen your position and your alternative to a deal.
2. Lack of trust is a serious impediment to making a deal. Nevertheless, agreements are possible if you take precautions, require enforcement mechanisms, build incentives for compliance into the deal, and insist on compliance transparency.
3. It's difficult to make a deal – and impossible to create value – in the absence of information. What are the other side's interests? What does it have to offer? What is it willing to trade? Ironically, fear of advantaging the other side encourages parties to withhold the information needed to create value for both sides. Each is reluctant to be the first to open up. This is the negotiator's dilemma. The solution to this dilemma is cautious, mutual, and incremental information sharing.
4. Structural impediments include the absence of important parties at the table, the presence of others who don't belong there but get in the way, and lack of pressure to move towards an agreement. Remedies to these impediments were provided.
5. Spoilers are people who block or undermine negotiations. Several tips were offered for neutralizing or winning coalitions.
6. Cultural and gender difference can be barriers to agreement, particularly when one of the parties brings to the table a set of assumptions that the other side fails to notice: assumptions about who will make key decisions, what is of value, and what will happen if agreement is reached. Negotiators who represent organizations with conflicting cultures (e.g. entrepreneurial versus bureaucratic) are also likely to experience problems in reaching agreements.

7. Communication problems can also create barriers. You can diffuse them by insisting that each team be led by an effective communicator and by practising active listening, documenting progress as it is made, and establishing real dialogue between parties.
8. Effective communication can eliminate or lessen all of the barriers described in this unit.

1.23 Negotiation Skills

In this unit, we present five negotiation skills that can be learned and developed by the novice negotiator, and applied to the end-of chapter Learning Exercise, "Buying a House."

Skill 1: Recognize a distributive bargaining situation by the three key components and therefore prepare to utilize appropriate strategies and tactics to reach a desired settlement.

Skill 2: Begin by determining a reservation price to prevent "the heat of the moment" from causing you to agree to an unacceptable offer.

Skill 3: Learn how to use bracketing of the other party's offer to achieve your desired outcome in a distributive negotiation.

Skill 4: Recognize and use common social norms and accepted practices to evaluate offers, make counteroffers, and reach a settlement point.

Skill 5: Learn the important role of framing offers to influence how others perceive and respond to offers.

Buying a Work of Art

Chris Come is an artist with studios in Morro Bay, California, and Cincinnati, Ohio. She has built a following of admirers in southern California and in Ohio and is considered to be very talented by those who collect her paintings. Many of her works have appeared in magazines such as Southern Living and San Luis Obispo Magazine and have been purchased and displayed in many prominent locations including art galleries, courthouses, and private collections. However, like most struggling artists, she always needs to sell her works for a fair price to pay the bills. One of her favorite (and she believes one of her best) paintings is of two young women dressed in their finest Sunday white outfits, sitting in a rowboat on a sunny, lazy August after noon, with a beautiful wildflower garden behind them. The painting is simply titled Sunday. A retired couple from Texas is vacationing in the area for a few days and by chance stop in the studio. While browsing they pause to admire Sunday. The next day they decide to return to the studio and possibly buy the painting. The listed price is $12,500. The buyers believe they cannot afford to pay the asking price, and have decided to offer $7,500, knowing that artists often negotiate the price of their works. It is a classic distributive bargaining situation. The only real issue is price. Both parties would like to make a deal, but both also know they can walk away from the deal.

1.24 Classic Distributive Bargaining Situation

Notes

The classic distributive bargaining situation is one that everyone has experienced. The issue is between company and client. The company and client do not know each other directly. The only issue to be negotiated is clients demands of reduction in price. The goal of the client is to get the material in reduced price and the goal of the company is to sell it on maximum price. Both view the situation as Win-Lose Bargaining. It is important to consider that in most such distributive bargaining situations, there actually is no "fair" or "best" price. What is a house worth? It's worth whatever price the two parties will agree upon.

Howard Raiffa, in his classic book The Art and Science of Negotiation, provides an analytical model of this classic distributive bargaining situation. Raiffa explains that when the two parties enter discussion, each has some idea of what they consider to be their reservation price—the absolute minimum price that the seller will accept or the absolute maximum price that the buyer is willing to pay. Let's call the seller's reservation prices and the buyer's reservation price b. What happens if negotiators do not decide their reservation price before the negotiation begins? They will be at a real disadvantage because they may easily agree to what they will later admit to being too much or too little because they were "caught up in the heat of the negotiation." Unfortunately this is not a rare situation.

For sellers, the BATNA or s is the price at which they will simply continue to seek another buyer, and for buyers the BATNA or b is the price at which they will look for another car to buy. If b is larger than s—that is, if the buyer's maximum price is greater than the seller's minimum price—then there exists a zone of possible agreement (ZOPA), also called the bargaining range, negotiating latitude, or settlement range because any offer outside of the range will be quickly rejected by one of the parties. The ZOPA exists because the buyer is willing to meet or exceed the seller's minimum price.

However, the mere existence of a positive ZOPA does not guarantee that an agreement will be reached. After all, negotiators do not usually share with each other their reservation prices and thus may not realize that a range of possible settlement prices exists, and in fact they may not reach agreement if they are poor negotiators. Also consider what happens if s is greater than b. Then the seller's minimum acceptable price is higher than the buyer's maximum price, and thus no ZOPA exists, and no agreement can be reached.

1.25 Opening Offers

Whether negotiators are engaged in the negotiating process of acquiring a new business, arevised wage agreement, or buying a property, one of the negotiators has to make the first offer. The million-dollar questions are:

1. Who should make the first offer, and
2. How will making or not making the first offer affect the negotiation process and throstle?

The decision as to who should make the opening move often generates uncertainty and anxiety amongst negotiators. This is particularly true when they are missing reliable information about the other party. This will cause them to feel unsure about what offer that party will accept and what offer is likely to cause the other party to walk away from the negotiation. Additionally, it is also possible that the other party could deliberately respond with false information to gain a negotiation advantage.

Given that most negotiations are somewhat unclear at the outset, one school of thought believes that the opening offer should therefore preferably come from the other party. The basis behind this thinking is that an opening offer provides valuable information about a party's negotiating position. It also provides an indication of what type of agreement would be satisfactory. Although this appears to be good advice, it unfortunately fails to consider the critical influence first offer shave on how negotiators consider the negotiation process. Reputable psychological research strongly suggests that negotiators who make first offers often attain better results.

Anchoring a Negotiation

Research has confirmed that the way negotiators perceive the value of any offer made in a negotiation powerfully correlates to any number affiliated with that offer. Given that numbers related to an offer tend to have a magnetic influence on the judgment of negotiators, these numbers are referred to as anchors.

First offers have a vigorous anchoring impact in situations of great fluidity and doubt, as in the case with many negotiations. First offers maintain a strong authority throughout the negotiation. This influence is so powerful that even negotiators who are aware of the hypnotic allure of anchors in terms of their judgment are often unable to resist this influence. Therefore, their assessment of a first offer seldom breaks out of the field of influence of such anchors.

Greg North craft and Margaret Ne ale researched the phenomenon of anchors. In an experiment they supplied real estate agents with manipulated price lists for properties (high and low anchors). These real estate agents were subsequently asked to inspect these properties and appraise their values and purchase prices. All participants to some degree or other permitted the list prices to influence their decisions. The list prices clearly caused them to ignore the relevant features of the properties.

Thomas Mussweiler of the Institute of Psychology at the University of Wurzburg in conjunction with his colleagues performed a similar experiment where they asked customers to approach German automotive mechanics (professionals that are well-informed about the true value of cars) with used cars that were in need of numerous repairs. After offering their own opinion of the value of these cars, they asked the mechanics for an estimate of their value. Fifty percent of the mechanics were given a low anchor by the customers stating, "I think that the car should sell for about 2800." The remaining fifty percent were provided with a high anchor by the customers sating, "I think that the car should sell for about 5,000." Those mechanics who were given the high anchor approximated the value of the cars 1000 above those given the low-anchor.

Even people who recognize that they are wise to anchors are invariably influenced by anchors. This relates to the fact that high anchors selectively direct attention towards strong, positive attributes, whereas low anchors selectively direct attention towards weak, negative attributes. In the case of the estate agents, the high list price pointed their attention towards the positive features of the properties (spaciousness, a pool, etc.), while at the same time relegating the negative qualities (a small garden, one garage, etc.) to the back of their minds. The mechanics who were faced with a low anchor concentrated on the wear and tear the vehicles exhibited and did not pay heed to the positive aspects such as low mileage and the immaculate interiors.

Making or not making a First Offer

Research into the affect of anchoring strongly suggests that negotiators who present a first offer frequently enjoy a substantial negotiation advantage. In many studies sellers who make the first offer have been found to achieve higher negotiated prices than buyers making first offers. Making the first offer anchored the negotiation in the favour of the sellers.

Furthermore, researchers have also discovered that the likelihood of a first offer being made powerfully associates to an increase of the negotiator's confidence and sense of control at the negotiation table. Those who are lacking confidence and who feel disempowered by the structure of a negotiation or the availability of alternatives are less apt to make a first offer. There is also a great deal of evidence that the size of the first offer impacts the outcome of a negotiation – with higher or more aggressive first offers delivering better outcomes. First offers predict final settlement prices more so than ensuing concessionary offers.

Naturally, there are no hard and fast rules that can be applied to every negotiation situation. It would obviously give an advantage to a negotiator who makes a first offer when they have insufficient information regarding the other party. They should be aware that the other party is better informed about the issues being negotiated, and possess better market and industry data. Sellers or buyers of property, who utilize experienced real estate agents, have access to more and better information than buyers and sellers who act on their own behalf. The lesson is that negotiators should prepare sufficiently to be on par or ahead of the other party in terms of their knowledge of the issues at hand, and of market and industry trends. This allows them the necessary confidence to propose first offers that will anchor the negotiation in their favour.

How a first offer should be constructed

Although it is apparent that first offers should be strong, negotiators should always be on guard against becoming too aggressive. This would push them outside the range of what would be acceptable to the other party. The fear that many negotiators experience in this scenario is that aggressive first offers may possibly scare or annoy the other party to the extent that they break off the negotiation is often highly exaggerated. It causes most negotiators to err on the side of being overly-cautious and the resulting consequence that they fail to form the best possible agreement.

Notes

Aggressive first offers work is advantageous to negotiators for the following reasons:

1. Such offers assist sellers to attain higher final agreements;
2. Higher list prices lead to higher final selling prices, as it causes buyers to concentrate on the positive features of a purchase; and
3. Aggressive first offers generate leeway for negotiators to give concessions without exceeding their BATNAs.

First offers that are timid generally place heavy limitations on the ability of a negotiator to agree to and extract concessions/counter-concessions, or not to go beyond their real base (walkaway value). On the other hand, aggressive first offers allow the other party the scope to negotiate concessions. The ensuing result is that it increases that party's sense of achievement and satisfaction, and consequently the possibility of a mutually beneficial outcome.

First offers provide early insight into the contracting zone (the range between each party's real bases), and the range of possible agreements. However, such offers could, if they are absurdly aggressive, create the perception that a mutually beneficial agreement is impossible, and thus result in a party invoking its BATNA (Next Best Option).

Using an "Aspiration Base" focus

When negotiators ponder aggressive first offers, they should make such offers within the context of the following;

1. The strength of their BATNA,
2. Their aspiration base (the target at which their hopes and desires would be fulfilled) and,
3. Their real base (the bottom line beyond which their BATNA kicks in).

Although a clearly defined real base is an exceedingly important component of any negotiation, it is important that negotiators concentrate on their aspiration base when developing a first offer. Research findings reveal that negotiators who concentrate on their aspiration base when considering first offers are inclined to make more aggressive first offers. They generally achieve more beneficial outcomes than negotiators who focus on their real base.

Another means to ensure that first offers are not so aggressive as to result in the other party walking away from the negotiation is by focusing on the other party's BATNA, and real base, and on market trends. John Oesch and Glenn Whyte have discovered that the best first offers are usually those that fall outside the contracting zone, but are not sufficiently far beyond the real base of the other party to cause an extreme reaction.

When negotiators become too fixated on their aspiration base, they are blinded to advantageous outcomes that exceed their BATNAs. Their challenge is to focus on their aspiration base and make an aggressive first offer, but to remain open to making concessions. This prevents the possibility of rejecting beneficial agreements which ensures a mutually beneficial agreement.

A defense against first offers

When a negotiator doesn't have the opportunity to present the first offer, their protection against anchoring rests in making an forceful counteroffer firmly centered around the other party's BATNA, real base and aspiration base. The ideal means to propose such an offer is in a manner that creates a positive climate and blunts the other party's first offer. The key to protection lies in a negotiator knowing their aspiration base and the other party's limitations.

Should the other party propose a first offer that is near to the aspiration base of its counterpart, the immediate inclination is to agree to that offer and wrap up the negotiation. Research, however, suggests that immediate acceptance of a first offer is apt to leave the other party filled with remorse and discontent about not having made a more extreme first offer. It is also not uncommon for doubts to arise about the quality of the product or service purchased. A disgruntled party is less likely to live up to the terms of an agreement and may start to immediately begin plotting how to amend the agreement, extort concessions or gain revenge. Even highly acceptable first offers should be met with a request for concessions. If nothing extra is imminent the other party would at least have the gratification that it has achieved a significant victory where both parties have benefited.

1.26 Bracketing

Once the opening offers are made the real haggling process, often called bracketing, occurs. Bracketing is the logical bargaining process of moving toward a middle point between the opening offers.

In 1982, the Americans were negotiating the payoff of a huge international loan with the government of Mexico. They were about to default on an $82 billion loan. Their chief negotiator was Jesus Herzog, their finance minister. Treasury Secretary Donald Regan and Federal Reserve Board Chairman Paul Volker represented the American side. In a creative solution, the Americans asked Mexico to contribute huge amounts of petroleum to their strategic petroleum reserve, which Herzog agreed to do. That didn't settle it all, however. The Americans proposed to the Mexicans that they pay them a $100 million negotiating fee, which was a politically acceptable way to pay accrued interest. When President Lopez Portillo heard what the Americans were asking for, he went ballistic. He said the equivalent of: "You tell Ronald Reagan to drop dead. We're not paying the United States a negotiating fee. Not one peso." So now the Americans had the negotiating range established. They asked for $100 million. The Mexicans were offering zero. Guess what they ended up paying? That's right – $50 million.

So often, in little things and in big things, we end up splitting the difference. With Bracketing, Power Negotiators are assured that if that happens, they still get what they want.

Notes

To Bracket, you must get the other side to state its position first. If the other side can get you to state your position first, then it can Bracket you so that, if you end up splitting the difference as so often happens, it ends up getting what it wanted. That's an underlying principle of negotiating: Get the other person to state his or her position first. It may not be as bad as you fear, and it's the only way you can Bracket his or her proposal.

Conversely, don't let the other side trick you into committing first.

If the status quo is fine with you and there is no pressure on you to make a move, be bold enough to say to the other side, "You approached me. The way things are satisfies me. If you want to do this, you'll have to make a proposal to me."

Another benefit of Bracketing is that it tells you how big your concessions can be as the negotiation progresses. Let's take a look at how this would work with the three situations I described earlier:

1. You hope that your boss will give you a 10 percent increase in pay, so you ask him for 20 percent. He offers you 5 percent, so you can now lower your demand to 15 percent.

   If you want to be a better bargainer, take a tip from the Power Negotiators: Get the other side committed to a position first and then Bracket your objective. You're far more likely to end up with what you want.

How should you respond to an extreme opening offer—which might set an anchor in favor of the other party? Keep in mind that an unrealistic opening offer is often simply a tactic employed by the other side, not an insult. The other party simply is trying to lower your expectation, and in the process establish its extreme offer as an anchor point. Negotiators are especially likely to use this tactic if they believe you may end up agreeing to split the difference between your reasonable offer and their extreme offer. Thus you should first recognize their extreme offer for what is it—and quickly dismiss it with a response such as "Outrageous!" or "Ridiculous—$11,000 is not in the ballpark!" The goal is to get them to abandon the possibility that their offer will be considered at all in the ensuing negotiations. Then quickly follow up with your own opening offer based on facts or a defensible position. For ***Example:*** "The Blue Book on this vehicle is $18,500, and that is for a car in average condition. This one has low mileage and is in excellent condition, so I believe $20,500 is a fair price. Now what is your offer?" With this response, you accomplished two important objectives—first, you dismissed their extreme offer, effectively removing it as a potential anchor, and then you focused the discussion on your price by basing your offer on facts.

Source: Roger Fisher, William Ury, and Bruce Patton, Getting to Yes, 2nd ed. (New York: Penguin Books, 1991), 138–140.

1.27 The Role of Norms

Once each party has determined its reservation price and the two parties have exchanged initial offers, now they must arrive at a price somewhere in the range between the two initial offers. This situation represents the basic distributive bargaining question—how to distribute the possible gain available to both parties. How do the negotiators proceed? What motivates them to make a particular counteroffer, or accept or reject a counteroffer made by the other party? Negotiations seldom take place in a vacuum. Instead they are often guided by social norms and accepted practices that are based on the context of the situation. The two negotiators in this situation might proceed according to one or more common norms, which research and theory indicate, will most likely guide their behavior.

In general, there are four major types of norms that might influence a negotiator's behavior: (1) relational norms, (2) fairness norms, (3) reciprocity norms, and (4) good faith bargaining.

Notes

Relational Norm

In a negotiation situation the parties may be involved in a strictly win-lose relationship, as described earlier in this unit. They are concerned only with maximizing their outcomes. However, in many real-world situations the parties often have a communal relationship—they are family, friends, neighbors, or may have a continuing business or organizational connection. Organizational cultures, like national cultures, can produce shared ideas and practices—causing negotiators to seek the maintenance of long-term positive relationships even as they seek to maximize their outcomes when negotiating. This desire is referred to as a relational norm and can easily cause tension between the desire to maximize outcomes and the desire to maintain a positive relationship.

Research on relational motives and norms indicates that, when present in a negotiation situation, such norms can cause negotiators to overlook maximum outcomes in favor of suboptimal or less efficient trades that are viewed as providing a more satisfying relationship. Perhaps the most extreme application of relational norms occur in romantic relationships among "negotiators" whose concern for the relationship far exceeds the desire to achieve maximum exchange outcomes.

Why are relational norms important? Too often people, especially novice negotiators, view a negotiation situation in a purely exchange mode or one-time interaction, without regard for the future relationship between the parties. Therefore their objective is to win at all costs, to maximize the gain in a purely distributive bargaining context. This one-time "car-buying" situation may indeed be valid in many negotiation situations, but in many other situations it is not a valid assessment because the parties have a future relationship, at least to some extent. Organizational examples of relational norms include the common ones between managers, suppliers, co-workers, and vendors. Two major organizational developments in the past 20 years have contributed to the increased importance of relationships in negotiations: First, "flatter organizations"—those with fewer levels between president and the entry level—have become more common. Within flatter organizations, employees are given greater decision-making autonomy, and thus are increasingly empowered to negotiate with others within the organization. Second, organizations have become more inclined to develop partnerships with suppliers and other out side organizations, and therefore are more inclined to maintain long-term relationships. Due to these developments both within and between organizations, relational norms are more important today than in the past, primarily for three reasons:

1. Future negotiations with the same party are often anticipated, and therefore negotiators will seek to avoid harming the future relationship between the parties. Thus the relational norm effectively moderates the exchange relationship.
2. People from other organizations expect negotiated "favors" to be repaid at a later date.
3. Trust is critical to a long-term relationship, so agreements must include less nitpicking, fewer what-if s or contingency clauses. A higher level of trust is expected.

Fairness Norm

According to Richard Shell, professor of legal studies and management and academic director of the Wharton Executive Negotiation Workshop, the negotiation process involves one of humannature's most basic psychological drives: the need to maintain an appearance of consistency and fairness in both words and deeds.

Psychologists call this need to appear reasonable "the consistency principle." Negotiations of all types provide situations in which people seek consistency due to the high level of uncertainty. The use of a norm to provide consistency in a bargaining situation can give a negotiator what Shell calls "normative leverage." Negotiators who correctly anticipate the other party's norm and therefore frame their proposal within that context can gain an advantage.

Negotiation researchers have concluded that the fairness norm may be the most commonly employed norm. It includes four major variations: (1) the equality norm, which negotiators often call the "50-50" or "split-the-difference" (which certainly sounds fair since both sides gain an equal amount, but is really fair only if the initial offers were equally fair to both parties, which is highly unlikely); (2) the equity norm, or a split based on the proportional input of the parties; (3) the need norm, which can be a powerful social norm; and (4) the norm of maintaining the status quo, which keeps all significant issues in their current state.

To illustrate the first three of these fairness norms, consider three adult children who must decide how to divide the estate of their parents. Only three items of value remain. The most valuable of these is a new Mercedes-Benz; the other two items are a set of dining room furniture and a kitchen table and chairs. One child proposes they sell the items and split the proceeds, thus utilizing the equality norm. A second child notes that she provided the majority of the care for the parents over the last several months, and thus she believes she has earned the Merced es. She is utilizing the equity norm. The third child explains how her car has more than 200,000 miles and is constantly in the shop, and therefore she could really use a new car. Therefore she is utilizing the need norm.

A fourth fairness norm employed by some negotiators and arbitrators is maintaining the status quo. Many labor contracts, for example, leave most current provisions unchanged, although a few key ones are negotiated. It's not always assumed that the status quo is fair, but if things were accepted and used once, then they may work again. And sometimes it's easier not to change something than to try to reach an agreement on a new proposal.

In the employer–employee relationship, what is commonly termed the equity principle is actually just the fairness norm—in this case, the equity norm variation—at work. The equity norm is based on the work of J. Stacey Adams, who found that employees compare the ratio of their own organizational outcomes/inputs to the perceived ratios of other employees' outcomes/inputs—where outcomes include pay, recognition, bonuses, and so forth, and inputs include factors such as work effort, hours, and ideas. If employees perceive the ratios to be roughly equal, then they experience job satisfaction. However, if they perceive the ratios to be unequal, then they feel unfairly treated by the employer and will usually attempt to balance the ratios by seeking an increase in the outcomes received or, more likely, reducing their inputs or work effort, or even looking for another job. Thus the employee equity norm is quite similar to the fairness norm in a negotiation situation, except that the other party is the employer. Both are generally based on one of the cornerstones of Western culture—fair treatment. Religious, political, and lab or organizations have often worked hard to achieve equity or fairness in our society. Issues such as gay marriage or discrimination based on race, religion, or age are often framed in terms of fairness or equity. It is important to note that the common use of fairness norms in negotiations should not be confused with what is the "right," "best," or "fairest" solution. A fairness norm or any other norm is simply an external standard that people employ to guide them in negotiations.

However it may provide a very convincing argument in support of a proposal. Using norms or standards does not provide negotiators with a means of reaching the "fairest" outcome. Why? Reasonable people can use different norms and facts to reach different solutions. However utilizing norms or standards can assist negotiators in their efforts to reach an agreement in at least three ways:

1. Making decisions based on a norm such as fairness is easier than making decisions on offers that are randomly tossed out.
2. An offer based on a norm is more persuasive than an arbitrary number, and thus more likely to receive serious consideration.
3. It is easier to agree to the other party's offer if it is based on a norm, because you are agreeing to a principle, not a pressure tactic. For example, would you find it

easier to agree to "That is my final offer—it's what I want, and I don't have to explain it!" or "I can't lower the price any more—it's already $2,000 less than what we sold the last one for, and I matched your concession, which I think is only fair, so do we have a deal?"

Notes

Reciprocity Norm

The reciprocity norm, or the human tendency to respond to the actions of others with equal or similar actions, is a third major type of norm. Someone who believes that "an eye for an eye" is the most reasonable response to another party is applying the reciprocity norm. For example, a seller who drops her price by $2,000 may expect the buyer to counter with a $2,000 higher offer. At the negotiation table, a single act of hostility—or one of respect and cooperation—can be responded to with like action, and start an ongoing cycle that can last for years, even after the individuals who initiated it are long gone. Such cycles, which often grow from a perception of hostility or unfairness, can become vicious. Alternatively, they can be positive or virtuous if then ego ti at ion process itself is perceived to be fair and the outcomes are perceived to be fair. Such cycles are often perpetuated by other human behaviors, including (1) naïve realism—when people assume their view of the world, and only their view, reflects reality, (2) confirmatory bias—when people tend to seek only information that confirms their original position or belief, and (3) accuser bias—when we tend to hold someone who has harmed us once excessively responsible for other actions. These human tendencies cause the cycles of vicious or virtuous behavior to be perpetuated, and the reciprocity norm to be practiced.

Good Faith Bargaining

Good faith bargaining is a fourth major type of norm, and in a negotiation situation generally means that people expect certain behaviors from the other negotiators, including the following:

1. They will honor what they propose in bargaining; they do not retract an offer once made and accepted, and if necessary they sign written agreements.
2. They are willing to meet together, at reasonable times and places, to discuss issues.
3. They are willing to make proposals on each of the issues at hand.
4. They will engage in a process of give-and-take or compromise.
5. They provide only honest information, and if necessary will share their sources of information. It is important to realize that in most negotiation situations, however, there are no legal or prescribed rules for good faith bargaining, and unfortunately reasonable people can disagree as to exactly what behaviors define "good faith." Thus, one party may feel that the other has violated the rules of good faith bargaining, and discussions can be prematurely terminated. Why? It is often said that a negotiator's greatest asset is integrity. Few negotiators will continue to meet with someone they no longer trust to be negotiating in good faith, since they

cannot expect to reach an agreement, or if one is reached, they fear it will not be implemented as negotiated.

Notes

Workplace collective bargaining in the United States is a specialized negotiation situation that involves representatives from labor and management—an example of the good faith bargaining norm in action. The National Labor Relations Act of 1935 and its amendments require the representatives to meet at reasonable times and confer in good faith on issues such as wages, benefits, hours, and working conditions. This requirement includes active participation with an intention to reach an agreement and to sign binding agreements on mutually acceptable terms. It does not however, require either party to make a concession or agree to a proposal.

Counter Offers

Returning to the Chapter Case, the buyers and the seller of the work of art will draw upon one or more of the negotiation norms just discussed as a basis for making counteroffers to the other party and for evaluating the counteroffers received. In addition, during this give-and-take process they may choose to utilize one or more of the common negotiation tactics described in As you recall, these tactics include (1) making extreme or even ridiculous opening offers—designed to cause the other side to question its own opening positions; (2) claiming limited authority to make concessions; (3) using emotional outbursts such as shouting, cursing, name-calling, and even walking out in a huff as part of a posturing strategy; (4) offering few concessions, they view concessions as a sign of weakness, and thus offer few themselves, and seldom offer a concession not even in return when concessions are made by the other side; (5) resisting deadlines and using time as their ally, preferring a delayed settlement if it gains something, however small, for their side; and (6) waiting to counter after receiving an offer.

In time, the buyers and the seller in our Chapter Case agreed upon a negotiated price, X, that fell within the ZOPA of $8,000–$11,000 and thus met the reservation price of both parties. Exactly which price a party accepts often depends on how the offer is framed when it is presented.

Framing Positions

After identifying the issues to be negotiated, the next step in the preparation process is to carefully "frame" each issue (or group of issues)—that is, decide exactly how the issue will be presented to the other side in a context that is convincing. Framing is recognized as a key variable in the negotiation process because how an offer is framed has a significant impact on how it will be viewed by the other party. In general, the framing of a position refers to the wording and context of the offer. The art of framing positions, offers, and counters is considered one of the key negotiation skills that must be learned by the novice negotiator. Why is framing so important? Noted mediator Theodore Kheel explains that while the facts and numbers in a proposal are important, people often attach significant meaning to words, which therefore affects their view of the proposal. Kheel cites an interesting example in U.S. history. One Gallop survey taken the day after President Bill Clinton confessed his affair with Monica Le win sky used traditional wording: "Now I'd like to get your opinion about some people in the news. As I read the name, please say if you have a favorable or unfavorable opinion of this person...."

The result was 55% favorable, 42% unfavorable. Yet another Gallop survey on the same day used different wording: "Now thinking about Bill Clinton as a person, do you have a favorable or unfavorable opinion of him?" The result was 40% favorable, 48% unfavorable. Two polls taken on the same day by the same professional polling organization, with different wording, which therefore framed the question differently, produced significantly different results.

One example of framing that received national attention occurred in the O. J. Simpson murder trial. The prosecution chose to frame the trial as "O. J. Simpson the wife-beater v. The female victim,"while the defense chose to frame the trial as "O. J. the ethnic minority victim v. The racist police force"—the frame accepted by the jury that acquitted him.

People often view the same issue quite differently, especially when they sit across from each other in negotiations. They naturally bring different perspectives, expectations, biases, and experiences to the table. How should an issue be framed? First, consider each issue simply as a point of disagreement between the parties.

Issues may focus on procedures—exact payment method, the timing of delivery, and so forth—oron content—price, contract length, quantity. In general you can frame an issue in a slanted manner that puts your position in the best possible light ("A fair price is $20,000 because that is the book value"), or in a non-judgemental manner that states the issue as a question and invites the parties to search for a solution ("How can we objectively estimate a fair price?"). This latter method of framing is less antagonistic and moves discussions toward a process of creative problem solving if both parties are open to using it Herb Cohen suggests that issues should be presented in terms of three critical elements:

1. **Information:** What do you know about the priorities, limits, and strategy of the other side?
2. **Time:** Is either side operating under a deadline? Is there pressure from an outside party to settle quickly?
3. **Power:** Who has the ability to exercise control over the situation? Power can originate from different sources: (a) competition—if three parties make offers on the same house, who has the power? the seller, of course; (b) expertise—a third party supports your position and thus gives it validity; (c) persuasive capacity—experienced negotiators clearly present the issues, provide strong evidence to support their positions, and offer proposals that meet the needs of both sides. The

framing of an issue can greatly affect the outcome of the bargaining. Even a one-word change can significantly alter how both sides view the issues. For example, in negotiations to merge two organizations, the managers were reviewing the personnel files of each key person. In each case only one person would be retained. In the case of one high-ranking position, a manager stated, "Now in thinking about Taylor, he is too valuable not to keep him, and in the HR director's job." The second manager who wanted his own person, Lane, in that position needed to quickly reframe the issue of Taylor and repeated the statement with a one-word insertion: "In thinking about Taylor, he thinks he is too valuable not to keep him, and in the HR director's job!" The issue of Taylor's worth in the new organization was totally changed from fact to only his lofty opinion of himself, and Lane ended up in the position.

Negotiation scholar David Venter suggests four types of frames to consider in a negotiation situation: re framing the issue, focus framing, contrast framing, and negative framing.

Reframing Offers To be perfectly clear, the value of two offers can be identical but the manner in which they are framed or worded can substantially affect how they are received and thus possibly accepted. For example, in a research study people were asked to choose between two plans of action, when three plants were scheduled to be closed and 6,000 employees laid off:

Plan A: This plan will save one of the three plants and 2,000 jobs.

Plan B: This plan has a one-third probability of saving all three plants and all 6,000 jobs but has a two-thirds probability of saving no plants and no jobs.

Then participants were asked to choose between plan B (same wording) and plan C: Plan C: This plan will result in the loss of two of the three plants and 4,000 jobs.

The two pairs of choices contained the exact same values or facts—plans A and C both will save only one plant of the three plants, and 2,000 of 6,000 jobs. Yet 80% of the people in the study choose plan A in the first set of options, but then 80% chose plan B in the second set. The only difference was the positive framing of plan compared to the negative framing of plan C.

In his book Getting Past No, William Ury suggests that negotiators should, in practice, never reject an opponent's offer, but instead re frame it or literally "change the frame around the picture"so it satisfies the interests of both parties. Ury further suggests that reframing is the most valuable tactic in negotiations—and the single most valuable tool in reframing is the question asked, which should focus interests on each side. Ury suggests that the most useful re framing questions include the following:

- **Ask why:** Instead of treating the other party's offer as an adversarial position, use it as an opportunity to better understand their interest or to test the firmness of the position. For example, "Why did you choose that exact number?" or "Why are you so determined to settle on that number—where did it come from?" A powerful "why" question can invoke the fairness norm: "Why is that a fair price?" Even if the other party refuses to directly defend the fairness of their number, the very fact that it cannot be easily defended inserts doubt in their mind about their own position, and thus makes it easier to achieve a concession.

- **Ask why not:** If the other party will not reveal the source of their position, asking "why not" can help uncover their real interests. For example: "Why not simply divide the difference equally?" or "Why not change our assumptions and see what figure the actuary gives us?" The answer to your question may reveal important information about the true interests of the other party.
- **Ask what if:** Instead of disagreeing with the offer of the other party, acknowledge it and respond with an option. For example: "I understand you believe you must have a 12%increase. What if we agreed to that figure—but to help pay for it, health care co-pays were changed?"
- **Ask for advice:** If asked in a constructive manner, the other party may develop an option that represents positive movement toward a settlement. For example: "How would you suggest I present that offer to my manager when company policy restricts us from providing service beyond one year?" or "I can agree to your price, if you can find a way to cover my delivery charges." Opponents often appreciate the opportunity to help develop mutually agreeable options, and once involved, may even develop a sense of ownership in the options suggested, and thus help one of them become a settlement point.

Re framing Personal Attacks Making personal attacks has, unfortunately, become a common tactic in negotiations. The other party may simply get caught up in the "heat of battle," or may actually plan on using personal attacks as a means of getting the other party emotionally involved and thus possibly less focused on their objectives. Personal attacks may be direct, such as: "I can't stand dealing with low-life people like you!" or "You are simply too stupid to realize that I'm going to win." Or, they may be indirect, attacking your skill as a negotiator: "Are you sure you can afford this vacation home?" or "I don't think you can analyze this proposal in time for us to reach a deal—you'd better get help."

How should you respond to personal attacks? First and foremost, prepare yourself for the possibility. If you have never been exposed to such a tactic, but expect it might occur in your next encounter, then as part of your preparation think about how you will respond—and most important, don't let a personal attack get you emotionally involved. If your emotions take over your strategy, then you have given the other party a major advantage.

For example, a few years ago a real estate developer bought two-thirds of a valuable piece of lake front property, expecting to buy the other third that was for sale and was the key to the total development project. The developer had already made one critical mistake by purchasing the first two-thirds of the property with no guarantee that he could buy the other third; he failed to realize the significant leverage he had given the other party who owned the last one-third of the property. Then in the first face-to-face meeting to discuss the remaining third of the property, he became enraged when the owners indicated they would prefer to sell their third of the land to someone else, even if at the same price. The developer took this negotiation tactic—introducing the existence of another buyer who is not at the table—as a personal attack and repeatedly asked, "Why isn't my money just as good as theirs?" and "Why do they only need to match my offer, but I must beat their offer?" In what is an all too common response when someone becomes emotionally involved, the developer angrily left the meeting, hired an attorney, and spent the next several months in court. In the end, he paid the same amount that the owners of the last one third of the property had asked in the beginning, which was approximately just a little more than what he paid per for acre for the first two-thirds of the property. But his emotions led him to waste thousands of dollars on legal expenses and court fees.

What are successful responses to personal attacks on your character or abilities? First, as was just discussed, prepare yourself for the possibility. If you have never experienced such an encounter, then consider role-playing with someone who is experienced. Get used to the name-calling and keeping your mind focused on the issues at hand. Practice resisting the temptation to defend yourself—or worse, to respond with similar personal attacks. Both of these responses are perfectly natural, and tempting, but almost never productive. Instead they usually raise the emotional level of the other party to even higher levels, and decrease the likelihood of reaching an agreement. Instead, consider the advice of Roger Fisher and William Ury in their landmark book Getting to Yes. First, recognize a personal attack for what it is, and respond by sitting back and letting the other party blow off steam. Keep in mind, it's only a tactic to gain advantage over you, so don't let it reach your emotions. It might be helpful to respond with: "I think we all need a break, and in fact let's take a 15-minute break." Second, re frame their attack on you as an attack on the problem or issues at hand. In the real estate example just described, the buyer—instead of reacting emotionally and hiring an attorney—could have responded with: "When you indicate that you would just as soon sell your property to someone else, even at the same price, what I hear is there may be other interested buyers, and since this is a valuable piece of property, that is certainly a possibility. But I'm prepared to make you a fair offer today. What do suggest is a reasonable price?" That response would have re framed the personal attack back to the issue of settling on a price for the property. And it would have advanced negotiations without insulting the seller or falling for their tactic of introducing another possible buyer. Third, consider responding with silence or a question. Silence is a powerful tool in many negotiation situations Silence after receiving a personal attack may cause the other party to become uncomfortable, and feel they have caused a stalemate. Thus, they

Notes

may feel compelled to break the silence by making a positive statement and getting things back on track: "Well, that is not really a fair thing to say, let's get back to work." A carefully worded statement might achieve the same response. In the previous real Source: Michael R. Carrell and Christina Heavrin, The Everyday Negotiator (Amherst, MA: HRDPress, 2004), 118–121.

1.28 Final Negotiated Price

At some point in the negotiation process, the parties involved believe they are close to a settlement. Before making a declaration such as "Well, I guess we're done" or "I think we have a deal," an experienced negotiator will consider a few critical points.

First, although price was the major issue being negotiated, ask if it is really the only issue. For example, a homeowner and home repair contractor agree on a price for siding installation, and they sign a standard form stating the price and a brief description of the work to be done. However, after the work is finished, the homeowner refuses to pay the contractor, perhaps because he is unhappy with the work, or it was completed later than they expected, or perhaps just because the homeowner thinks he can get away with not paying. If other issues had been negotiated as well—such as exactly how it will be determined when the work is finished (does the contractor or homeowner alone decide?), what interest the contractor is entitled to collect if payment is late, and who pays legal fees if the case goes to court—then both parties would bebetter served. A contract that specifies these issues in addition to the price can be critical to preventing common disputes, which arise in about 12% of all home repair contracts, according to the National Association of Rem ode ling Industry. In most simple distributive bargaining situations, shaking hands and exchanging a product for cash is all there is to it. However, if an immediate exchange of cash for goods is not possible, the bargainers should consider the classic economic principle of "the time value of money." This basic concept has caused many deals to sour after an agreement is reached. Thus a second point to consider is the need for a contingency contract. A contingency contract is an agreement that specifies how a future event will change specific issues contained in the contract. If such a future issue cannot be foreseen, a contingency contract can allow the parties to reach agreement on all other issues, and then provide for exactly how the terms will be finalized once the future event is known.

Contingency contracts are commonplace in business, but they can also be useful in personal negotiations among family, friends, or neighbors. For example, three adult children over a period of several months distributed all of the property, household, and personal items in thee state of their late parents. As their parents wished, the process had gone smoothly and without any serious disagreements. Only the disposition of their parents' home of 40 years remained to be negotiated. The parents' will specified that all estate items were to be divided equally, thus the logical solution was to sell the home and divide the proceeds into equal thirds. One of the three, however, asked her siblings if she could buy their two-thirds interests in the house so she could live in it. Because the other two had no similar desire and liked the idea of a family member keeping the house, they responded positively to the proposal. Exactly how should they negotiate a "fair" sale price might be considered a common distributive bargaining situation, except the parties were not adversaries and had a continuing relationship (relational norm). They agreed to hire a trusted real estate agent to inspect the house and suggest a market price. Then they signed a written contract, which of course contained the market price. All three believed they had negotiated in a fair and responsible manner for all concerned. However, at the request of the one who was buying the house, the other two agreed to wait until she sold her existing home before closing the deal on their parents' home. They thought this a reasonable request, since she could not easily afford two house payments. Unfortunately none of the three foresaw what then happened. The daughter listed her home well above its market value and it took 18 months to sell. During the first few months, she moved into their parents' home. The contract had not included any specified maximum period of time to closing, or who would pay the utilities and taxes until the closing, or if any "rent" should be paid by the daughter during what became 18 long months of escalating tension among the three siblings. By the time the daughter did sell her house, these issues caused bitter feelings among the three. The two other children believed they had lost at least $12,000 each due to the length of the process. If, in addition to price, a contingency contract had been negotiated, the three siblings might easily have avoided a great deal of anguish. For example, the contract on the house could have included a standard clause requiring closing at the agreed-to price within 90 days, and a contingency clause could specify that if the daughter did nbt sell her house within 90 days she would owe a specified amount of rent, plus utilities and taxes to be paid at the closing. The clause might also specify a maximum period of two years for the closing, after which the house would be put on the market.

Contingency contracts can be valuable in many negotiation situations if any future event will likely alter the outcome of the negotiated deal. In a noted Harvard Business Review article, researchers Max H. Bazerman and James J. Gillespie cite several possible benefits of using a contingency contract, as follows:

- The parties can counter negotiation biases by including future scenarios predicted by each party (such as mortgage rates in 12 months), and then letting future events decide which was correct.
- An impasse can be avoided by allowing the outcome of a future event to determine a critical portion of the agreement. For example, Bazerman and Gillespie recall when negotiations between a television production company and an independent station broke down over different expectations of the ratings of the show in question, with each ratings point worth about $1 million. A contingency contract could have specified that a $1 million license fee per

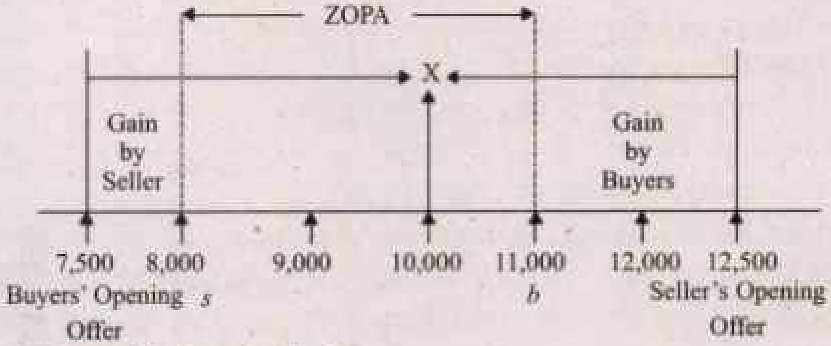
Notes

ratings point, as determined by the Nielsen ratings on a specified future date, would be paid per the terms of the contract.

- It can motivate parties to perform at higher levels. For example, in the estate house dispute just discussed, a contingency contract may have motivated the daughter to sell her own house at a lower price or spend more time and effort fixing it up before she put it on the market—to avoid paying rent and other expenses after the 90-day period.
- The potential risk involved can be shared by the parties, rather than specifying an out comeat the present, when uncertainty about future events may make them uneasy about their level of risk. Retailers, for example, often share the potential risk of unsold products through contingency contracts with vendors by agreeing to rebates on unsold inventory.

Bazerman and Gillespie also point out that contingency contracts may not be right in every situation due to their potential limitations. First, they require a continuing relationship between the parties, which might not always be possible. Second, they may not be easily enforceable, and court costs can be prohibitive. And third, they require transparency—the future event must be easily and objectively measured and not subject to manipulation by either party.

Let us now return to the Chapter Case. The seller listed her initial price or opening offer at $12,500 and the buyers made an opening offer of $7,500. The parties then decided, but kept confidential, their bottom line or reservation price. The seller decided she could accept no less than $8,000 and still realize a reasonable profit. The buyers decided their absolute limit was$11,000. Thus the range of possible settlement amounts, or zone of possible agreement (ZOPA), became $8,000–$11,000—although neither side could know the range since neither knew the other party's reservation price. So how might this classic distributive bargaining situation have been settled? Because the buyer made the first verbal offer of $7,500, it is likely that the seller would make the first counteroffer. She would likely utilize the good faith bargaining norm and decide to show her willingness for give-and-take by making a counteroffer of $11,000, and frame her offer with, "I'm very pleased that you are sincerely interested in Sunday. I know you have looked at it before. But this work is similar in size, detail, and content to three others that I sold in this price range over the last year, all with about the same number of hours invested. Also, I consider it to be one of my best paintings. For you I'm willing to come down $1,500, to$11,000." By citing the number of hours she has invested in the painting, the seller brought the need norm (see p. 67) into the negotiation. The buyers realize that $11,000 is their reservation price, and if they are particularly anxious to close the deal, or perhaps if they are inexperienced negotiators, they might agree to $11,000. But they likely would rely on the equality fairness norm and offer to split the difference of $3,500 ($11,000–$7,500) and thus offer $9,250. They would decide to make this offer because it is an equal sacrifice by both parties, and because it's not a round number and is based on a defensible position, which makes them more comfortable in offering it to the seller. Since the new counteroffer of $9,250 is higher than her reservation price, the seller might accept it if she was significantly motivated to sell. Or, she might decide that since the buyers have only made one counteroffer, they have not made their "highest and final offer," and thus she offers to make a second, but smaller, concession of $1,000, again noting that the work is similar to others that sold at higher prices. At this point the buyers might agree to her second counter of $10,000, and thus close the deal. Both parties will likely believe they have negotiated a "good deal." The seller gained $2,500 over the buyers' opening offer, and realized $2,000 more than her reservation price. The buyers also perceived they gained, because the final price was $2,500 less than the listed price, and they paid $1,000 below their reservation price.



X = $10,000 = Final negotiated price

Summary of negotiation:

Seller's initial price: $12,500
Buyers' initial offer: $7,500
Seller's reservation price(s): $8,000
Buyers' reservation price(b): $11,000
ZOPA: $8,000–$11,000
Seller's counteroffer: $11,000
Buyers' counteroffer: $9,250
Seller's second counteroffer: $10,000
Buyer's accepted and thus negotiated final price: $10,000

Figure 1.5: Negotiation Settlement

1.29 The Integrative Negotiation Process

Complex negotiations such as collective bargaining between management and union representatives, supplier–buyer contracts, agreements between employers and health care providers—as well as some personal negotiations such as building a new house, dividing an estate among heirs, or reaching a divorce settlement—often involve multiple issues. Novice negotiators sometimes utilize the single-issue distributive process described for each of the 10, 20, or more issues—settling each separately, one at a time. By comparison, an alternative method would be to consider all the issues simultaneously, and reach agreement on all issues at the same time—but that can easily become unwieldy. Thus, most experienced negotiators try to divide the issues into general groups—such as "highly important," "somewhat important," and those "of little value." Usually negotiators prefer to start negotiations by quickly resolving a few of the issues of little value, which creates a positive atmosphere and a sense of progress.

Notes

Negotiation Journal article, made an argument that scholars and practitioners should not think about negotiations or conflict resolution in such terms. These metaphors, he noted, are primarily rooted in the military and sports of Western cultures where they may be appropriate. They are not, however, appropriate in describing negotiations. Greenhalgh listed five disadvantages to using the win-lose metaphor in describing negotiations:

1. The win-lose metaphor carries a zero-sum quality, which is not a useful context for a negotiation settlement that contains a mutual gain for both parties— or else why would they agree on the deal? Furthermore, "win-lose" implies that one party has gained something at the expense of the other party, which is not always the case. In addition, the win-win metaphor is not useful because it cannot be used without also using the win-lose metaphor.
2. Sports metaphors emphasize rules rather than relationships. Thus, negotiators may believe that any tactic may be tolerated as long as a rule or law is not violated, even though the long-term relationship between the parties may be damaged.
3. Ethical considerations tend to be subordinated when sports metaphors are applied, and therefore the level of trust between the parties may be severely damaged.
4. Sports metaphors induce participants to focus on the immediate conflict rather thanthe long-term perspective. Sports contests are isolated events and the score is set at zero at the start of each contest, whereas most negotiations involve parties that have a continuing relationship, and thus the concepts of "winning" and "losing" are less useful.
5. The win-lose metaphor induces negotiators to strive to fractionate the other party and throw its group into disarray. This practice may, however, make it more difficult to negotiate an agreement because, once divided, the other party will have more difficulty evaluating alternatives and agreeing to a settlement.

Try to avoid the trap of thinking in terms of a sports metaphor such as win-lose or win-win, which can lead you to visualize a bargaining situation in counterproductive ways. Instead, terms such as mutual gain or problem-solving or cooperative agreement might lead to a positive visualization of the bargaining situation.

Experienced negotiators of multiple-issue situations will usually utilize one of three proven negotiation strategies: (1) distributive bargaining; (2) integrative bargaining, possibly using a categorization method; or (3) interest-based bargaining (IBB). Of these three strategies, the integrative process is more commonly utilized because it can generate deals that are more beneficial to both parties, and also because the parties today do usually have some continuing relationship and therefore are not solely interested in maximizing their gain in the current negotiation.

1.30 Thompson's Pyramid Model

Notes

Integrative negotiation, according to negotiation researcher Leigh Thompson of Northwestern University, can be described as both a process and an outcome of negotiation. The parties involved seek to integrate their interests and therefore produce negotiated outcomes that exceed those normally achieved through distributive bargaining. Thompson further suggests a pyramid model of integrative agreements, as illustrated in Figure1.6. In the model, Level 1 agreements are those in which both parties achieve an outcome that is better than their reservation point, and thus is within the ZOPA. Level 2 agreements produce an outcome that is even better for both parties than Level 1 agreements, possibly by introducing a new issue for which both parties have a similar objective. Finally, Level 3 agreements are those for which it is impossible to improve the outcome from the perspective of both parties, one in which any change that would benefit one party would harm the other party. Parties ideally seek to reach Level 3 agreements, and therefore "leave nothing on the table." Integrative negotiators do not stop at Level 1; they seek to gain the benefits of higher, mutually beneficial levels 2 and In reality it is more likely that negotiators can achieve Level 1 agreements in which both parties exceed their reservation points and BATNAs or, through the development of new options, that they can negotiate Level 2 agreements that create additional value for both parties above the minimums achieved in Level 1. Level 3 agreements can be described as pareto optimal* because they represent improvements above Level 2 for both parties and achieve an agreement that cannot be improved for one party without harming the other party. Thus the outcome of any level of an integrative negotiation is superior to that of a distributive negotiation. In this units we will describe two integrative processes. The first is the categorization method of integrative bargaining, and the second method is commonly called interest-based bargaining (IBB).

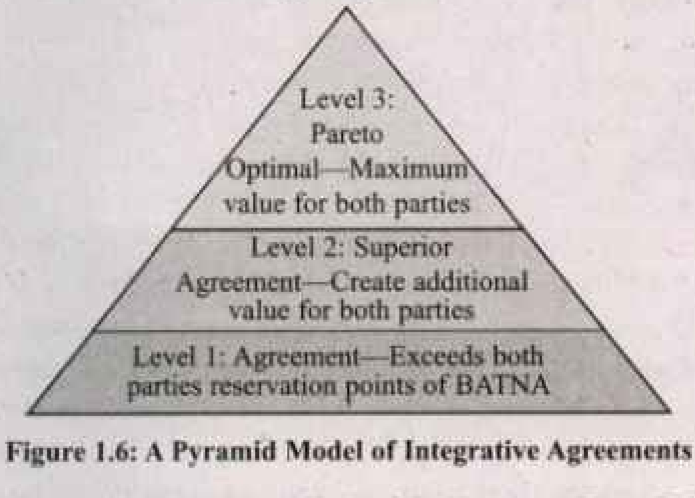

Level 3:
Pareto
Optimal—Maximum
value for both parties
Level 2: Superior
Agreement—Create additional
value for both parties
Level 1: Agreement—Exceeds both
parties reservation points of BATNA

Figure 1.6: A Pyramid Model of Integrative Agreements

Source: Leigh Thompson, The Mind and Heart of the Negotiator (Upper Saddle River, NJ: Prentice Hall, 1998), 47-48. Used by permission.

1.31 The Categorization Method

Step 1: Exchange information and identify all of the issues to be negotiated. Each side explains its interests and concerns on the issues.

Step 2: Develop a common list of all issues that were discussed by either side during the first step, and seek to classify each issue as (1) compatible—similar interests; (2) exchange—approximately equal value, which may be traded; or (3) distributive—not compatible cannot be traded, and therefore whose value must be distributed.

Step 3: Reach final agreement on each of the compatible issues and removed them further negotiation.

Step 4: Trade or exchange issues of approximately equal value—in some cases including several issues in a single exchange.

Step 5: Resolved any remaining issues—often accomplished through distributive bargaining on each separate issues.

Figure 1.7: The Five Steps of the Categorization

How does the integrative process work? First we will discuss the five steps of the categorization method of integrative bargaining. For the sake of learning the integrative technique, we present this process as a linear process—one in which the first step must be followed by the second step, and the second by the third, and so forth. However, in reality, negotiators experienced in integrative bargaining may not utilize a linear model, but instead may choose to follow a process that best meets their interests in a given situation. Unlike the distributive process, the parties generally do not begin by tossing out a number—their opening offer on an issue. The first step is for the parties to begin by exchanging information and seeking to identify all of the issues to be negotiated, listing them, and explaining their position on the issues. The negotiators seek to learn about the other party's concerns and interests, which helps them identify potential areas of common ground. Generally they do not make a proposal at this step, as it would be premature and could shorten the discovery phase of the process. The key here is to learn about the other party's issues and determine their interests and objectives. Rather than respond to any issue, a negotiator should focus on listening and interpreting what is presented. Key techniques in this first step include the following:

- Active listening is perhaps the single most useful integrative bargaining skill because it indicates that you are genuinely interested in understanding what the other person is thinking, feeling, and needing. Listen closely to the other party's explanation without interrupting, disputing a fact or belief, or objecting to a statement—even if it may be critical of your position on an issue.
- Ask open-ended questions about the level of need, interest, or concern of the other party on each issue discussed. Ask why an issue is important, to help better understand the position presented. Ask "why not" to consider another approach to resolving an issue.
- Express empathy for the other party's feelings, using reflective statements such as "I can see why it is important that you have delivery by that date," while being careful to not agree with their position.

- Probe for the other side's willingness to trade-off an issue for another issue—a key to integrative bargaining. Ask questions such as: "Would you be willing to give up X if we were able to guarantee Y?"
- Assert your own needs. Explain your interests and positions.
- Refrain from making personal attacks or criticizing the other party's positions. Use hum or when possible

The second step in the categorization method generally begins with the parties developing a common list of all issues of possible interest that were discussed by either side in the first step. The participants do not assume that they have opposing goals on all issues. Instead, together they review the issues and classify them as one of three types:

1. **Compatible Issues:** Those with identical or very similar goals, and thus where agreement can be reached quickly and the issue settled;
2. **Exchange Issues:** Those of generally equal value that can be traded one for the other, and thus with one party achieving its goal on one issue and the other party achieving its goal on another issue; or
3. **The remaining distributive issues,** often few in number, but important—such as price or salary. However, if the distributive (win-lose) process had been utilized to settle all issues, it is likely that the process would have been far more adversarial, compared to integrative negotiations in which many of the issues can usually be settled by the compatible or exchange methods, which are far more friendly processes that are also likely to achieve an agreement of greater total gain for both sides. Why? Because less value is "left on the table"—a common goal of integrative negotiators. The third step involves reaching final agreement on the compatible issues, and therefore removing them from further negotiation. This step often passes quickly, since the parties are essentially in agreement as to substance and usually only need to record the specifics of the issues. However, this step can be critical in establishing a positive climate for the entire negotiation process. By first identifying at least some issues and reaching mutual agreement the parties involved begin the process with a sense of openness, collaborative, and accomplishment.

Box 1.1: Practice Active Listening

A critical negotiation skill that can be utilized in many situations—such as conducting job interviews, resolving grievances, and performing annual job evaluations—is called active listening, and involves far more than just keeping silent while the other party is talking. It is focusing on what the other person is saying from that person's point of view, understanding both the content and emotion. Active listening is a skill that must be developed for successful integrative negotiations because it enables you to recognize issues that can be successfully resolved. It also signals to the other side that you care about their concerns and are open to new options. Active listening requires you to confirm that you understood what the other party said before you respond, often by restating or paraphrasing the message. This verification process is what distinguishes active listening and makes it an effective skill. The active listener does not pass judgment—neither critical nor favorable—on what the other person is saying. Why? Because the primary goal of active listening is comprehension, not agreement or disagreement. You can practice active listening by following these tips:

1. Maintain eye contact with the other person.

2. Think only about what the person is saying. Resist the urge to begin formulating your reply or your position on the issue.

3. Take notes that summarize their thoughts and can be used later as you reflect on their concerns. This attention to detail also shows your sincere interest in what they are saying.

4. Pay close attention to their body language, including any significant aspects in your notes.

5. Ask reflective questions to let the person know you are listening and that you understand their position. Repeat in your own words what you've heard to ensure that you have understood it and to let the other party know you understood it correctly. Ask probing questions about any aspect that is not entirely clear to you.

Source: Adapted from Harvard Business Essentials: Negotiation (Boston: Harvard Business School Press, 2003), 59. Used by permission.

The fourth step involves the trade-off of issues—the heart of the integrative process. Both parties review the list of issues identified in the first step and categorized in the second step, noting the compatible issues that were removed in the third step—which leaves the remaining unresolved issues to be resolved through the exchange of one issue for another. In an open brainstorming process, either party can suggest exchanges of issues of approximately equal value. In the process, one party receives its position on an issue, then in return gives the other party its position on another issue.

In some cases, two or more issues might be exchanged for a single issue if the approximate values are equal. If all remaining issues can be exchanged, the negotiation process is over, but inmost situations one or more unresolved issues are left on the table. The fifth step, then, is there solution of the last issue or issues, which often is accomplished through distributive bargaining.

However, because the prior steps resolved most of the issues, neither party is likely to walk away from the table over the last issue. Why? First, they have reached agreement on several important issues—a settlement that will be lost if they walk away. Second, the integrative process has established a positive bargaining climate that is more conducive to resolving the last issue. And third, both parties have invested time and effort into the negotiation and therefore are more motivated to reach a final settlement.

Returning to the Chapter Case, "Labor Contract Negotiations," let's apply the five steps of integrative bargaining just presented. In their second meeting, the union and management negotiators "lay on the table" or openly discuss each issue they would like to negotiate, and explain their interests or position on each. Management explains that it is seeking a five-year contract that would enable it to enter into longer-term contracts with buyers, which they have requested more often over the past several months. Management would also prefer a drug testing program in cases involving accidents or injuries to protect the interests of employees, the owners, and customers.

In exchange for any wage increase, management also wants workers in the bargaining unit to pay a greater portion of their health insurance, the cost of which has risen sharply since the last contract negotiation. Finally, management presents a proposal that would allow it to subcontract work to outside firms under certain conditions. Next the union negotiators present several economic items that they believe are needed to increase the total value of the contract until it is closer to other contracts in the region. Those items include a wage increase of 5%, the initiation of a profit-sharing plan to include 12% of net profits annually, an increase in the pension benefit formula, three days of paid funeral leave annually, a monthly clothing allowance, and an increase in the current shift differential provision. In addition, the union leaders present three noneconomic job security issues of importance to their members: a no-layoff provision, voluntary overtime assignment based on seniority, and a no-lockout provision. In their next meeting (the third step) the negotiators review the common list of items developed in the previous meeting and agree that they have compatible interests on three of the issues. Both sides desire the security of a long term contract, and thus agree to a five-year term for the new contract. Both also agree that a new drug-testing policy is needed, and that testing should be conducted only in cases involving accidents or injuries. Finally, both agree that disruptions over contract disputes—which can be settled through the grievance arbitration process provided in the contract—are harmful to all parties involved, and thus should be prevented through a no-strike/no-lockout provision

1.32 Keys to Successful Integrative Bargaining

Willing Participation of both Parties

Negotiation practitioners and researchers have discovered several keys to the successful utilization of integrative bargaining. Perhaps the most helpful would be an initial agreement by all of the people involved that an integrative process will be employed. This agreement means that all parties will participate in Full, Open-Throttle Negotiations (FOTN) and therefore will openly discuss as well as list all issues of concern to either party and be willing to explore new options. If one party is not willing to participate in an integrative process, or if one party says it is willing but then resorts to concealing its interests or rejecting options without careful consideration, then the integrative process may not be employed as easily as if both parties utilized it. Thus, the first key to integrative bargaining is the willing participation of both parties to openly seek mutual gains. One party can use integrative bargaining to move the negotiations toward an agreement even if the other party chooses not to use the technique. Some experienced negotiators, however, believe that if one party does not fully participate in an integrative process, then the other party may at some point recognize it, choose to use only distributive bargaining techniques itself, and thus make it difficult for the first party to successfully use integrative bargaining. The negotiation process may then resort to one of strictly distributive bargaining, with both sides concealing their interests and striving to maximize their gain on each issue.

Recognition of the Relationship

Integrative bargaining can be more easily utilized if the parties involved value a long-term positive relationship. Negotiations between parties who place value on their relationship will be substantially different from negotiations between parties that do not value their relationship. Therefore, a second key to integrative bargaining is for the parties to openly recognize they have a valuable relationship that they seek to maintain after the negotiation process has ended. Thus, unlike purely distributive bargaining situations, the negotiators acknowledge that their continued relationship is of equal or even greater importance than one-time distributive gains. If this is not the case, then the negotiations will likely resort to a distributive process.

1.33 Collaborative Atmosphere

A third key to integrative bargaining is to start with a collaborative atmosphere, which, according to negotiation consultants Peter Stark and Jane Flaherty, requires several things of each party. First, begin by looking for all factors of importance that can be negotiated, and therefore avoid the common pitfall of "fighter pilot lock-on" over just one issue, such as price. For example, if you contact a vendor about buying a large quantity of new computers, don't jump to lock on the price per unit. Instead, ask exactly what variables can be negotiated, such as delivery cost and date, financing, extended warranty, 24-hour on-site service, loaded software, training, or quantity discounts. All of these issues can be important factors in the overall price or deal, and should be considered, as well as the price.

Second, consider the needs and concerns of the other party and don't assume they are identical to your needs and concerns. In the computer example just cited, you might jump to assume that the vendor is only concerned about price and service. However, in one such situation, the vendor was a new company that needed to achieve a critical level of volume in less than 30 days, and wanted to add people to its training classes to give them critical mass—and therefore was willing to sell the computers at almost no profit, as long as they could also sell the training service package.

A third way to foster collaborative atmosphere is not to assume you know the "real" needs of the other party. In many negotiations, each party has both explicit needs, such as the product or service, but also has implicit needs, which might include the long-term relationship, loyalty, trust, and so forth. Negotiators often verbalize their explicit needs, but only through careful questioning and listening can you learn their implicit needs. In the computer example, only through the use of probing questions and attentive listening could the buyer discover thevendor's implicit need to sell the training service package.

Thus, effective questioning and listening to responses is a critical negotiation skill. Yet research on the interaction in negotiation sessions has indicated that negotiators typically spend more time arguing for their positions and defending their instance on issues than they do asking questions. With the effective use of questions, negotiators can gain important insights into the implicit needs and concerns of the other party, and therefore respond with proposals that are more likely to reach a settlement.

Furthermore, the effective use of questions can break a pattern of arguing for and against positions and move negotiations into conversations that uncover the true interests of the parties, and therefore potential positive outcomes. Why do even experienced negotiators spend more time defending their positions and not enough time asking questions? When asked that question, they admit that "asking questions leaves them feeling vulnerable and open to exploitation. How can negotiators ask questions that advance the negotiation process? Linda L. Putnam, the former director of the Program on Conflict and Dispute Resolution at Texas A&M University, provides a variety of "Tactics for Success" Of course, some negotiators use questions to make the other party feel vulnerable! How should you respond to a loaded question?

1.34 Packaging the Issues

A fourth key to integrative bargaining is the ability to package issues for trades. Packaging generally refers to the process of combining two or more issues into one proposal that provides something of value to each party. When several issues are identified in the first steps of integrative bargaining, the process may appear to be unwieldy. Certainly if 40 or 50 issues are on the table, which is not uncommon in complex negotiations, the task at hand can be overwhelming. In addition to the trade-off exchanges of step 4 in the integrative process, in which only two issues at a time are traded by the parties, packaging of several items at once can provide two distinct advantages.

1.35 Interest-based Bargaining (IBB)

The practice of interest-based bargaining (IBB) has emerged in recent years as one of the most visible innovations in negotiations. It has also become the subject of considerable debate and discussion among labor relations practitioners and scholars. Some claim that

Notes

IBB represents a critical improvement that will revolutionize the bargaining process. Yet others see IBB as just anew label for what Walton and McKersie called "integrative bargaining" in their 1965 book, A Behavioral Theory of Labor Negotiations, or as simply an implementation of what Fisher, Ury, and Patton introduced as "principled negotiations" in their landmark 1991 book, Getting to Yes. The concept did not catch on then, and in fact was met with considerable skepticism by labor relations professionals until recent years. Today IBB is a fully developed approach to bargaining, including a set of principles, going beyond the concepts of these early works. According to a recent national survey of 1,557 negotiators, approximately 80% of management negotiators and 60% of union negotiators who have employed IBB prefer it to traditional bargaining methods.

Principles of IBB

Interest-based bargaining has a different philosophy from that of distributive or traditional integrative methods of negotiation. At the core, it requires negotiators to think of themselves as joint problem solvers who seek solutions to mutual problems or issues of interest. The Federal Mediation and Conciliation Service (FMCS) is often credited as having developed the basic principles and steps of IBB. A 2000 report by the FMCS noted that IBB was the training method most requested by new negotiators.

The principles and steps of IBB are as follows:

1. **Sharing of information:** Both sides fully share all relevant information including economic forecasts, financial data, industry reports, costs, and so forth.
2. **Willingness to forgo power or leverage:** The parties strive to find mutually agreeable solutions to issues of concern and commit to not using their perceived power or leverage to sway the other party. Objective standards instead of power are used to evaluate options.
3. **Brainstorming to create options:** When issues are presented, rather than state their position or demand, as is common in traditional bargaining methods, the parties engage in brainstorming sessions to identify new options to resolve the issues. These options are mutually agreeable to both parties.
4. **Focusing on issues, not personalities:** By discussing the interests that underlie the issues, IBB negotiators can treat others with dignity and courtesy because they are not focused on discrediting the position of the other party. IBB advocates claim that in traditional negotiations, because the bargainers must defend their own "arbitrary" positions—saying things like "I must have this price" or "This is my position, take or leave it"—and because they must also attack the arbitrary positions of the other party, they often must resort towelling and threatening as a means of making their points.
5. **Leaving past issues behind:** Discussions are focused on current issues and how to resolve them. The parties agree to not bring up past disagreements or try to settle old scores.

6. **Expressing interests, not positions:** Once options are identified through brainstorming, the parties—unlike the process in traditional negotiations—do not each take a position and defend it, and then try to exchange concessions until a middle ground is found. Instead they ask probing questions, use objective analysis, and seek to develop options that meet the mutual goals of both parties.
7. **Both parties committing to IBB:** An essential factor of most IBB negotiations is that both parties agree at the start to receive IBB training (if they have not in the past) and to accept and utilize the IBB process. The FMCS does not believe that IBB can become a universal bargaining method that replaces distributive, integrative, or other traditional methods. In fact, it notes that unless the parties have had a positive past relationship and have received joint IBB training, it is not likely to succeed in a given negotiation situation. The growth of IBB as a bargaining method, according to the FMCS, is likely due to the realization by both labor and management leaders that they have a fundamental mutual interest in the long-term success of the organization.

Integrative Bargaining requires a "problem-solving" orientation rather than an adversarial approach.

First, you have to really understand your interests. You may need to ask yourself questions such as: "What is it that I really want?" "Why do I want that?" "What are my underlying problems or interests?" "If I couldn't get what I think I want, what else could satisfy me?"

Example: You are a junior high school teenager who wants to go to an "All-Nighter" recreational event sponsored by a local church. It will involve a youth service followed by a variety of activities at different locations in town and shuttle busses will take people from one place to another (bowling, movies, a gymnasium, etc.) and these places will stay open all night just for this group. You decide to approach your father and ask for permission to go.

You first have to ask yourself why you want to go this event: Is it for the "freedom" of being "out from under your parent's supervision?" Is it for "the thrill of staying up late?" Is it so you can have fun with your friends? Is it so you can evangelize (or at least set a good example for) your acquaintances from school? Is it so you can grow spiritually from the youth service?

Once you understand your own motivation more fully, you can then ask yourself: "If I can't go, then what other options exist that might satisfy my underlying interests?" If, for example, your main motivation is to go bowling with your friends (you "party animal," you!), then you might explore bowling as a separate activity on a different night.

In this example, you are assessing your own goals, priorities, and interests.

Next, you have to try to understand the other side's priorities and concerns.

This is important because, ideally, you would like to be able to satisfy both your own interests and their interests too! Satisfying two, sometimes contradictory, sets of interests is why integrative bargaining requires a problem-solving orientation.

Advantages and Disadvantages of IBB

What are the possible advantages and disadvantages of IBB compared to traditional negotiation methods? According to Ira B. Lobel, a 30-year veteran mediator with the FMCS, advantages may include the following:

- IBB negotiators, by focusing on interests and not stating positions, will have improved communications and thus are more likely to fully understand the underlying interests of the other party, and do most of their work in joint open sessions.
- The joint development of options through brainstorming is more likely to uncover additional ideas and thus superior solutions to problems.
- Traditional methods, which focus on defending stated positions, are more likely to breakdown because the parties become too invested in their positions instead of trying to uncover new options.
- The focus on interests in IBB is more likely to cause the parties to explain the critical "why" behind an interest or proposal.

Disadvantages include these:

- The IBB method may waste a great deal of time as negotiators discuss interests and possible options when a mutual solution could be quickly reached.
- IBB negotiators may have difficulty transferring a proposed option into a practical, concrete solution.
- The standards suggested by IBB negotiators are often not precise, and are subjective, thus not easily agreed to by both parties.

IBB at Work

Does Lobel consider IBB to be a "new and improved" method of negotiation? No. Instead he views it as a new "label" on what he considers to be the concepts and practices used by competent negotiators for many years. For example, good negotiators, have always explored the underlying interests of the positions of others. In addition, good negotiators avoid becoming entrenched in positions and are always open to new options that have mutual gains. Good negotiators also seldom use power indiscriminately and do not let personalities affect negotiations. Thus, whereas IBB and traditional methods can be thought of as different approaches, they also have a great deal of overlap in practice. If, however, interest-based bargaining provides negotiators with the concepts and practices utilized by good negotiators, then it serves a purpose. The ultimate outcome of a bargaining process, notes Lobel, depends on the skills and flexibility of the negotiators. One interesting case involving interest-based bargaining occurred in Alameda, California. In 1995 the city of Alameda and the members of its fire department entered into "meet and confer" negotiations for a new wage and benefit agreement. After three years of unsuccessful negotiations, an impasse was declared. The process then went to arbitration, and the relationship between the parties, according to city manager James Flint, became ad versa rial and highly emotional. In 1997 management and labor leaders identified IBB as a possible vehicle to resolve their differences, and the city agreed to fund joint IBB training for the members of the negotiating teams.

After the training was completed the negotiators began the IBB process of brainstorming and searching for mutually agreeable solutions. They reached a solution within 12 months and agreed to set aside the arbitrator's decision in favor of their own new solution. In the three years under the solution, which became a wage and benefit memorandum of understanding (MOU) several remarkable achievements were realized: In 2001 a new five-year extension of the MOU was signed; the use of IBB was institutionalized as a business practice to resolve workplace differences; not a single grievance was filed during the first three years of the MOU, a first in the history of the city; more than $1 million in overtime costs was saved under the MOU; and the union actively participated in the selection of the new fire chief. According to Flint, however, the most remarkable achievement was replacing the previous hostile workplace environment with one that utilizes joint problem solving to address new problems—and the practice spread to other city departments in Alameda. Another interesting use of IBB occurred in Irvine, California. In only two days the city and three employee groups revamped the city's retirement plan. JudyVonada, assistant city manager, credited IBB with giving the parties involved "So much goodwill, that it was almost like a scene from The Twilight Zone." And, Vonada noted, "We couldn't have done it if we were negotiating the old way. But we built relationships that allowed us to doth is." How widespread is the practice of interest-based bargaining? Joel Cutcher- Gershenfeld and Thomas Koch an reported the first comprehensive study of IBB in labor relations in 2004. The study was commissioned by the Federal Mediation and Conciliation Service and included responses of 1,557 union and management negotiators. For example, joint training in IBB principles and practices occurred in about one-third of the cases where IBB was utilized, and further analysis indicates that the training was essential to the use of IBB in negotiations. Second, during bargaining there was substantial use of brainstorming, sharing of information, and consensus decision making—all essential elements of the IBB process. Third, at the conclusion of bargaining a substantial percentage of both union (67.5%) and management (42.0%) negotiators reported that they continued to use IBB in future negotiations. However, a substantial percentage of each group (58% union, 57.2% management) also reported that at the end of negotiations, usually when only the most difficult issues such as wages, health care, and job security remain, they shifted back to traditional bargaining methods and even received some backlash or criticism of the IBB process (19.8% union, 17.0% management). The study also reviewed the agreements that were negotiated and found that IBB had positively affected the outcomes of issues including pay, profit sharing, increased worker input into decisions, team-based systems of work, and joint problem-solving committees. Other interesting results of the study included the fact that female union negotiators were more likely to bargain for new language that provided for worker input, and initial contracts were more likely to include such provisions. The authors concluded that IBB does encourage a problem-solving process in negotiations, and determined that atmosphere is more likely to provide a "supportive umbrella" for innovative provisions in agreements.

1.36 Summary

Negotiation is an interpersonal decision-making process necessary whenever we cannot achieve our objectives single-handedly. Labor disputes are far more visible and get extensive news coverage than commercial disputes which are as frequently but public and visible. The right to differ is regarded in democracies as a fundamental right. Dictatorship is one of the alternatives to negotiations, which is even preferable in certain circumstances.

The right to differ and have one's own viewpoint is an integral part of a democracy. One of the major causes of conflict is differing perceptions. The conflict of rights occurs where a difference of interpretation arises about the existing agreement between the two parties. Mobility and flexibility are the dictates of the new world of work. Negotiation is a process of give and take Negotiation is an art of creating agreement on specific issue between two (or more) parties with differing views. Bargaining session is the most important and crucial stage of negotiation processes. Wage negotiation was once described by a trade union leader as it was a movement wherein "both the sides are walking towards each other" to reach a mutually acceptable position.

For sellers, the BATNA or s is the price at which they will simply continue to seek another buyer, and for buyers the BATNA or b is the price at which they will look for another car to buy. One critical piece of information that can provide a distinct advantage is the reservation price of the other side, or how eager the other party is to reach an agreement.

A third important factor is the skill of the negotiator. Negotiators who prepare in advance and successfully utilize commonly practiced negotiation tactics will reach agreements that are more favorable to them. Facts, beliefs, and feelings about the relationships between the parties. Open discussion of the negotiation process that helps understand and manage the process.

The single-issue negotiation situation is the most common, and the one issue to benegotiated is usually price. Once the opening offers are made the real haggling process, often called bracketing, occurs. In a negotiation situation the parties may be involved in a strictly win-lose relationship. The reciprocity norm, or the human tendency to respond to the actions of others with equal or similar actions, is a third major type of norm. Good faith bargaining is a fourth major type of norm, and in a negotiation situation generally means that people expect certain behaviors from the other negotiators. At some point in the negotiation process, the parties involved believe they are close to a settlement.

Notes

The integrative bargaining technique, like the distributive technique, was largely developed within the field of collective bargaining and labor negotiations in the 1970s. The integrative bargaining process is different from the distributive process in many aspects. Complex negotiations such as collective bargaining between management and union representatives. Integrative negotiation, according to negotiation researcher Leigh Thompson of Northwestern University.

A critical negotiation skill that can be utilized in many situations. The fourth step involves the trade-off of issues—the heart of the integrative process. Negotiation practitioners and researchers have discovered several keys to the successful utilization of integrative bargaining. The negotiation process may then resort to one of strictly distributive bargaining, with both sides concealing their interests and striving to maximize their gain on each issue. Integrative bargaining can be more easily utilized if the parties involved value a long term positive relationship. A third way to foster collaborative atmosphere is not to assume you know the "real" needs of the other party. The practice of Interest-based Bargaining (IBB) has emerged in recent years as one of the most visible innovations in negotiations. Interest-based bargaining has a different philosophy from that of distributive or traditional integrative methods of negotiation.

1.37 Keywords

- ***Agenda/procedures:*** Perhaps one of the most important factors in pre-negotiation planning has to do with agenda, site selection, physical arrangement, and time availability. These are the issues/items on which negotiation has to take place.
- ***Even split:*** Even splits, like compromises, refer to how the bargaining zone is divided among the negotiators. For example, two sisters who quarrel over an orange and ultimately decide to cut it in half have reached an even split.
- ***Implementation Plan:*** Agreeing on an issue in negotiation leads to putting the agreement intoan action plan. The exact nature of the plan must be sorted out during the negotiation to reduce any future misunderstanding.
- **Negotiation Dance:** This is based on two elements - frequency of proposals and size of proposals. Frequency refers to the number of times proposals are made and size refers to the quantity/value of the proposals.
- ***Nibble:*** This basically refers to wearing down the adversary to reach an agreement on an issue after hard and prolonged bargaining.

Notes

- ***Opening Move:*** If the parties in negotiation are meeting for the first time, the opening move becomes very important. It decides the nature of rapport that would be established and subsequently influence the pattern of negotiation.
- ***Wage Negotiation:*** Wage negotiation was once described by a trade union leader as it was a movement wherein "both the sides are walking towards each other" to reach a mutually acceptable position. He said he aimed to get the employer's to walk faster and with bigger steps.
- ***Compatible Issues:*** Those with identical or very similar goals, and thus where agreement can be reached quickly and the issue settled.
- ***Exchange Issues:*** Those of generally equal value that can be traded one for the other, and thus with one party achieving its goal on one issue and the other party achieving its goal on another issue.
- ***Packaging:*** It generally refers to the process of combining two or more issues into one proposal that provides something of value to each party. When several issues are identified in the first steps of integrative bargaining, the process may appear to be unwieldy.
- ***Fairness Norm:*** According to Richard Shell, professor of legal studies and management and academic director of the Wharton Executive Negotiation Workshop, the negotiation process involves one of human nature's most basic psychological drives: the need to maintain an appearance of consistency and fairness in both words and deeds.
- ***Good faith bargaining:*** It is a fourth major type of norm, and in a negotiation situation generally means that people expect certain behaviors from the other negotiators.
- ***Reciprocity Norm:*** The reciprocity norm, or the human tendency to respond to the actions of others with equal or similar actions, is a third major type of norm. Someone who believes that "an eye for an eye" is the most reasonable response to another party is applying the reciprocity norm.

1.38 Review Questions

1. Define the term Negotiation.
2. Explain "All Human Interactions is Negotiation".
3. Discuss negotiation and its components.
4. Explain about negotiation process and preparation.
5. What is game plan? Explain the three stages of negotiation plan.
6. Explain about rules of negotiation.
7. What are the tactics of integrative negotiations?
8. Describe about the preconditions for negotiation.

9. What do you mean by distributive negotiation?
10. What is classical distributive bargaining? Explain.
11. What do you mean by bracketing?
12. What is role of norms? Explain the various types of norms.
13. What do you know about counter offers?
14. Explain about contingency contract.
15. Explain about relational and substantive information.
16. Briefly explain the integrative negotiation process.
17. Describe about the categorization method.
18. Explain about interest based bargaining.
19. What are the keys to successful integrative bargaining?
20. What are the principles of IBB?
21. Describe about the Thompsons Pyramid Model.
22. What do you know about collaborative atmosphere?
23. Discuss the advantages and disadvantages of IBB.

1.39 Further Readings

- Books Booth, A., Crouter, A. C., & Clements, M. (Eds). Couples in Conflict. Mahwah, NJ: Lawrence Erlbaum.
- Casing a Promised Land by Goodall: Carbondale: Southern Illinois UniversityPress.
- Conflict Management & Organization Development by Willem F.G. Mastenbroe: John Wiley & Sons.
- Coser, L. The Functions of Social Conflict. New York: Free Press.
- Cupach, W.R. & Canary, D.J (1997). Competence in Interpersonal Conflict. Prospect Heights, IL.: Waveland.
- International Journal of Conflict Management by Jones, T.S., Remland, Non Verbal Communication and Conflict Escalation: An attribution Based Model.
- Leading Through Conflict, How Successful Leaders Transform Differences into Opportunities by Mark Gerzon: Harvard Business School Press.

UNIT–2

Negotiation Sub Process

(Structure)

2.1 Learning Objectives
2.2 Introduction
2.3 Why is Power Important to Negotiators?
2.4 Power of Motivation
2.5 Use of Power in Negotiation
2.6 Dealing with others who have more Power
2.7 Four Major Negotiation Styles
2.8 Choosing the Appropriate Style
2.9 Steps for Resolving Conflict
2.10 Alternative Styles
2.11 Strategies and Techniques of Negotiation
2.12 Conflict Management Strategies and Techniques
2.13 Social Perception
2.14 Importance of Perception
2.15 Role of Perception in Attitude Formation
2.16 Personality
2.17 Application of Personality Theory in Organizations: The Meyers Brings Type Indicator Instrument
2.18 Five Keys to Effective Supervisory Communication
2.19 Barriers and Gateways to Communication
2.20 Defensive and Non-defensive Communication
2.21 Positive, Healthy Communication
2.22 ABC Model of Attitude
2.23 Job Satisfaction and Organizational Commitment
2.24 What is Stress?
2.25 The Stress Response
2.26 Non-work Demands

2.27 Stress-strain Relationships
2.28 Consequences of Stress
2.29 Organizational Distress
2.30 Motivation
2.31 McClelland's Need Theory
2.32 Herzberg's Two-factor Theory
2.33 The Concept of Power
2.34 Political Behavior Leadership in Organizations
2.35 Principles of Persuasion
2.36 Third Party Intervention
2.37 Eustress and Distress
2.38 Leveraging Power from Your BATNA
2.39 Boosting Your BATNA
2.40 The Power of Leverage
2.41 Sources of Power
2.42 Personal Power
2.43 Leveraging Power through Persuasion
2.44 Origins of Ethos, Pathos, Logos
2.45 Empathy-based Persuasive Techniques
2.46 Mirror-based Persuasive Techniques
2.47 Tools for Persuasive Communication
2.48 Persuasion through Process
2.49 Leveraging Power through Pressure Tactics
2.50 Summary
2.51 Keywords
2.52 Review Questions
2.53 Further Readings

Notes

2.1 Learning Objectives

After studying the chapter, students will be able to:

- Know why is power important to negotiation;
- Discuss about power of motivation;
- Understand the use of power in negotiation;
- Explain four major negotiation styles;

- Discuss strategies and techniques of negotiation;
- Know the importance of perception;
- State the leadership and public relations in negotiation;
- Describe the defensive and non-defensive communication;
- Describe the principles of persuasion;
- Discuss the importance of leveraging power from your BATNA;
- Discuss leverage power through pressure tactics;
- Describe the sources of power;
- Explain the mirror based persuasive techniques.

2.2 Introduction

In a broad sense, people have power when they have "ability to bring about outcomes they desire" or "the ability to get things done the way (they want) them to be done" (Salancik and Pfeffer, 1977).

"The ability to do or act or accomplishing something".

Power is at the root of negotiating success.

The most popular way to divide the typical negotiation styles or approaches are: Competing (or Aggressive), Collaborating (or Cooperative), Avoiding, Compromise, Accommodating (Conceding). Most negotiators have one or two preferred negotiation styles. Ideal is to be able to choose to apply the most appropriate negotiation style to each type of negotiation, and to be able to switch negotiating style depending on who you are negotiating with and other important elements of your negotiation context.

T.A. Judge and R. I lies links the five factor model of personality in the workplace to the individual and overall satisfaction in the workplace. The "Big Five" personality traits; extraversion(assertiveness), agreeableness (cooperative), conscientiousness (dependable), emotional stability(self-confident), and openness to experience (curious), make up the basic framework as a model of behaviour in the workplace. Judge and I lies performed extensive research at the universities of Florida and Iowa finding all the correlations these five factors have on the overall job satisfaction of a given professional environment. Although the control factors, methods, and results that Judge and I lies came up with were impressive, there are many more studies that have produced varying results.

Employees' attitudes can be changed and sometimes it is in the best interests of managements to try to do so. For example, if employees believe that their employer does not look after their welfare, the management should try to change their attitude and help develop a more positive attitude in them. However, the process of changing the attitude is not always easy. There are some barriers which have to be overcome if one strives to change somebody's attitude.

Leverage is situational advantage—the ability to HELP or HARM the other party. No matter how hopeless it seems, every party has SOME leverage. (If not, there's no negotiation, simply demand and obedience.) Unlike formal authority and power, leverage can change often during a negotiation.

- Positive leverage: the carrot— "Here's what I can give you."
- Negative leverage: the stick—"Here's the trouble I can cause you."
- Consistency leverage: "Here's the principle you stand for—now live up to it."

2.3 Why is Power Important to Negotiators?

Most negotiators believe that power is important in negotiation because it gives one negotiator an advantage over the other party. Negotiators who have this advantage usually want to use it to secure a greater share of the outcomes or achieve their preferred solution. Seeking power in negotiation usually arises from one of two perceptions.

1. When the negotiator believes he or she currently has less power than the other party, the other party already has some advantage that can and will be used, so he or she seeks power to offset or counterbalance that advantage.
2. The negotiator believes he or she needs more power than the other party to increase the probability of securing a desired outcome and to gain or sustain an advantage in the upcoming negotiation.

Source of Power – How People Acquire Power

Understanding the different ways in which power can be exercised is best accomplished by looking first at the various sources of power. In their seminal work on power, French and Raven (1959) identified following five major types: Most of these are relatively self evident in nature:

1. **Expert power:** Derived from having unique, in-depth information about a subject.
2. **Reward power:** Derived by being able to reward others for doing what needs to be done.
3. **Coercive power:** Derived by being able to punish others for not doing what needs to be done.
4. **Legitimate power:** Derived from holding an office or formal title in some organization and using the powers that are associated with that office (e.g. a vice-president or director).
5. **Referent power:** Derived from the respect or admiration one commands because of attributes like personality, integrity, interpersonal style, and the like. A is said to have referent power over B to the extent that B identifies with or wants to be closely associated with A.

2.4 Power of Motivation

The most desirable source power is of the person whose morality, ethics and sincerity are transparent and obvious. He develops immense power precisely due to these characteristics.

If power is about influencing the behaviour of others, the motivation for power must be the desire to make an impact by influencing the behaviour of others. Studies on motivation show that there are three kinds of power motivations:

1. **Personalized Power:** The motivation here is that of personal gain and aggrandizement.
2. **Socialised Power:** Here the power is used as an instrument for the common good, on behalf of the whole organization, many times for almost altruistic purpose.
3. **Achievement or Affiliative Orientation:** Here the individual has the motive to be liked by all; he wants to be popular. Affiliative needs are not power needs but sometimes are so dominant that they affect the way in which the individual uses power.

Many contemporary power discussions are still grounded in this typology (and Raven has elaborated the typology several times since it was proposed over 45 years ago). We will take a broader perspective on power as it relates to negotiation and aggregate the major sources of power into five different groupings.

1. Informational sources of power
2. Personal sources of power
3. Power based on position in an organization
4. Relationship-based sources of power
5. Contextual sources of power

As we will regularly note, these categories are not rigid or absolute. Power can be created in many different ways in many different contexts, and a source of leverage can shift from one category to another over time. As we elaborate on these approaches, we will also indicate how the French and Raven model has been revised and updated.

Table 2.1: Major Source of Power

Source of Power	Description
Informational	• **Information:** The accumulation and presentation of data intended to change the other person's point ofm view or position on an issue. • **Expertise:** An acknowledged accumulation of information, or mastery of a body of information, on a particular problem or issue. • Expertise power can be positive (we believe the other because of their acknowledged expertise) or negative (we so distrust the other that their claimed expertise leads us to pursue a course of action opposite to the one they advocate)

Personality and individual differences	Power derived from differences in • Psychological orientation (broad orientations to power use). • Cognitive orientation (ideologies about power). • Motivational orientation (specific motives to use power). • Dispositions and skills (orientations to cooperation/ competition). • Moral orientation (philosophical orientations to power use).
Position-based power	Power derived from being located in a particular position in an organizational or communication structure leads to several different kinds of leverage: • Legitimate power, or formal authority, derived from occupying a key position in a hierarchical organization. However, legitimate power can also influence social norms, such as Reciprocity, or the expected exchange of favours. Equity, or the expected return when one has gone out of one's way for the other. Dependence, or the expected obligation one owes to others who cannot help themselves. • Resource control, or the accumulation of money, raw material, labour, time and equipment that can be used as incentives to encourage compliance or as punishments for non-compliance. • Reward power, the use of tangible rewards or personal approval to gain the other's compliance. • Punishment power, the use of tangible punishments or withholding of personal approval to gain the other's compliance.
Relationship-based power	• Goal interdependence – how the parties view their goals referent power – based on an appeal to the other, on common experiences, group membership, status, etc. Referent power can also be positive (we believe the other because we respect them) or negative (we so disrespect the other that we pursue a course of action opposite to the one they advocate). • Access to or control over information. Resource s supply flows, or access, derived from location within flows in network.
Contextual power	Power derived from the context in which negotiations take place. Common sources of contextual power include • Availability of BATNAs

Nature of Power in Negotiations

1. It is the ability to redefine and shuffle the interests (of yours and of others) to attain goals.
2. The exercise of power entails costs and risks.
3. There is also a distinction between real and apparent power.
4. Power changes over time.
5. Negotiators use power tactics to give an impression of having many alternatives.
6. Power devices are used by negotiators to develop in the opponent, feelings of loyalty, obligation or gratitude.
7. Power additions are ways in which the negotiator adds to the perceptions of his power through additions such as personal charm, prestige and association.
8. Expert power is the power of knowledge that comes through control over information, e.g. auditors, lawyers, accountants, EDP managers, etc.

2.5 Use of Power in Negotiation

1. He must identify his dependence and the individuals on whom he is dependent. He has to find ways to minimize that dependence. He does this by finding alternative persons who can give him the same results. He can then, if it becomes necessary, reduce or eliminate his dependence on one person and transfer it to another.
2. If dependence cannot be transferred, he tries to neutralize it. He can do this by 'buying' loyalty – giving incentives and rewards which bind the person on whom he depends, closely to himself. This 'buying' need not be financial alone. He could build support among other groups in the organization, which he could use against the person on whom he is dependent. He could attract to himself the people who are supporting the person on whom he depends. All this reduces the power of the person on whom he is dependent.
3. The higher he rises in the organization, the more contacts he must nurture with all the stakeholders, so that he has support above him to be used when necessary, against those on whom he depends. Stakeholders for a Director in a company would include shareholders, other directors, employees in general, unions, government, suppliers, customers, media and even competitors. A good example is the way through which Russi Modi (ultimately unsuccessfully) tried to activate stakeholders in support of him against those in TISCO who wanted him to retire.
4. A sensible use of power is to choose to fight on your own ground, and not to fight at the same time on many fronts. Of course, the ideal situation would be to not get into a fight at all but to neutralize the opponent through other tactics. But if there has to be a fight, it is better to make friends even with those you dislike so that you take on one person at a time.

5. Many people when they reach high positions, rapidly change their persona. This creates difficulties with those on whom they depend. As status and perceptions of your power increase, you must be careful that changes in personality and lifestyle are gradual and not something that pops up all of a sudden.
6. Buying support from those on whom you depend is not done only with money. There are many means available for the purpose, like giving more authority or exciting new responsibilities, demonstrating perceptions of closeness, increasing organizational visibility, etc.

The negotiator uses the negotiations to affect the perceptions of his opponents by:

1. Controlling information: not making complete disclosure (for example, of adverse situations in the country to a prospective foreign collaborator). The danger, of course, is that the opponent also has his own sources of information. This is a tactic that must be used with caution.
2. Internal 'collusion': you could leak information selectively to the media. The entry of Pepsi into India was marked with many such selective leaks by all the parties involved – government, competitors, prospective licensees, Pepsi, etc.

The use of power in this cold and calculating way raises ethical questions which must be faced. No behaviour that could jeopardize proper implementation of the agreement are fundamental to our definition of successful negotiations. The final word: using power in this way must necessarily have conscious limits so that trust and relationships are not damaged.

Concession Behaviour

These are tactical modes of action that manipulate behaviour or the understanding of the opponent. A concession indicates to the other party certain intentions and aspirations and can alter the opponent's intentions or aspirations or actions. From the point of view of signals of power, concessions should always be reciprocated.

CASE STUDY: Win-win Negotiation Badly Executed

This case study discusses some of the critical errors that can be made in a Management and Union Labour negotiation, where Management were trying to achieve a win-win negotiation.

In trying to create win-win negotiation agreements, one of the biggest mistakes made by negotiators is to deal with the issues on an issue by issue basis. This often results in a breakdown in negotiations because invariably, conflicting monetary issues arise that result in a showdown between the two parties. Negotiating on an issue by issue agenda does not present the opportunity to make concessionary trade-offs between the different issues.

For example, in January, 1993, management and labour of Bayou Steel in Laplace, Louisiana, sat down to negotiate a new contract. Neither side dreamed that these talks would lead to a strike. Each side believed that they had built a solid relationship.

Notes

Management went into the negotiations thinking and believing that if they used a win-win negotiation concept, they would increase and enhance the relationship between the shop floor and management. Even Ron Farraro, president of United Steel Workers of America did not conceive of the possibility that talks would collapse into a strike, and that a negotiated contract would be reached with little or no difficulty.

Management of Bayou Steel enlisted the help of two facilitators from the FMCS (Federal Mediation and Conciliation Services) to guide management through a win-win style negotiation with its workers. The president of Bayou said that the facilitators helped them identify each side's objectives and concerns, and led him to believe that they had in effect, resolved 90% of the contract issues.

The facilitators set up an issue by issue agenda. They left the economic issues such as incentives, base pay, overtime, and vacation time as the final issues to be discussed. Management believed that they had correctly addressed the employees' concerns about these pay issues.

However, union members became suspicious about management's good intentions to take a win-win approach. They began to believe collectively that this negotiation approach by management was a disguised ploy meant to undermine their position, especially on the economic issues.

At first, negotiations went relatively well and as predicted. Yet, as the economic issues were placed on the table for discussion, the situation quickly turned upside down into a hard nosed bargaining negotiation. Management attempted to stay the course with a win win approach, but this no longer washed with the union. Can you guess what happened? That's right – union members walked and went out on strike.

By using an agenda to address the format of the contract negotiations, Bayou Steel failed to consider that any single issue could be so divisive. As the economic issues rose to the foreground of the talks, Bayou Steel no longer had leeway in considering trade-offs. They literally painted themselves into a corner because of their structured of agenda items.

We need to be able to compare and contrast all the issues collectively, and by order of relative importance. Package or multiple offers offer a greater latitude in finding creative solutions as it gives us more to work with, as opposed to dealing with issues on a one-on one basis through a pre-designed agenda. Planning and using a Concession Strategy effectively can give one side a big power advantage over the other. So be careful to plan your agenda wisely.

Question:

Analyse the case and discuss the case facts?

2.6 Dealing with others who have more Power

Notes

Watkins (2002) specifically addresses the problem of "dancing with elephants" (Striking a deal with an opponent much bigger than you) and highlights ways that lower power parties can deal with the big players in business deals and partnerships. These ways are as follows:

1. **Never do an all-or-nothing deal:** Relying on a single party and creating a make – or brake deal with them leaves the low-power party highly vulnerable. For example, a small business that agrees to let a Wal-Mart be its only customer runs the risk of being completely controlled by Wal-Mart. Low-power parties should attempt to diversify their risk by entering into deals with several other partners so that no single high – power player could wipe the low-power partner out.
2. **Make the other party smaller:** In dealing with a high-power party, particularly if it is a group or organization, one should attempt to establish multiple relationships and engage in multiple negotiations. By dealing with a variety of different individuals and departments in the high-power party, one diversifies the relationships and the multiple interests that may be served in working with these different sub-groups.
3. **Make yourself bigger:** Similarly, low–power players should attempt to build coalitions with other low-power players to increase their collective bargaining power.
4. **Build momentum through doing deals in sequence:** Early deals can be done to build relationships, strengthen the relationship with the high-power party, and perhaps acquire resources (information, technology, seed capital, etc.). Select those high power targets that have the most to gain, and maximum visibility of those deals to other parties.
5. **Use the power of competition to leverage power:** This is a variation on the power of BATNA. If you have something to offer, make sure you offer it to more than one high power party. If you can get them competing against each other for what you want, some may actually do a deal with you simply to keep you from doing a deal with one of their competitors.
6. **Constrain yourself:** Tie your hands by limiting the ways that you can do business or who you can do business with. However, while these constraints might drive away your competition, they also have the liability of constraining you as well.
7. **Good information is always a source of power:** Seek out information that strengthens your negotiating position and case. Anticipate the information that would be most compelling or persuasive to the other side; organize it so that you can draw on it quickly and assemble it to be maximally persuasive.
8. **Do what you can to manage the process:** If the high-power party controls the negotiation process (the agenda, the cadence, the timing, and the location), they

will do it in a way to assure outcomes they want. If the low-power party controls the process, they are more likely to be able to steer the deal in an advantageous direction (Watkins, 2002).

2.7 Four Major Negotiation Styles

Everyone has their own way of dealing with conflict. Most fall into one of five patterns: (1) collaboration; (2) competition; (3) compromise; (4) accommodation; and (5) avoidance. Each pattern is helpful in certain situations.

- **Collaboration:** True collaboration means identifying the underlying concerns and interests of both parties, and finding solutions that satisfy these concerns. This approach is appropriate when the concerns of both sides are too important to be compromised, both parties are willing to play by collaborative rules, and mutual motivation is high. It does require considerable time and effort, so it is not cost-effective for less substantive matters.

  Joe was a computer software designer with an idea for a new computer game that he believed would be very successful, but he knew it would take a long time to develop, and he needed to earn a living during that time. He approached Bill, an executive at a computer company with whom he had gone to college. Bill liked the idea and offered Joe $10,000, but Joe estimated that he needed nine months to develop the game. For nine months of work, he said, $10,000 was not enough. After long negotiation, Joe and Bill agreed that the $10,000 would be an advance on future profits, and that profits beyond that would be split 80:20. In the end, both parties profited handsomely and felt as though they got a good deal.

- **Competition:** The goal of competitive negotiation is to win without regard for the impact on the other party. It can involve the use of physical or emotional force, authority, or pressure, and in short-term emergencies may be the only approach that will work. It is appropriate, for example, when others are being threatened, rights are being violated, there is inadequate time to work through differences, or all other methods have failed. In general, however, competitive negotiation may backfire, setting the stage for resentment. Consistently used over long periods of time, people suffer and relationships deteriorate; ultimately rebellion will occur.

  Al, a consulting environmental engineer, was short of work when Fred, a project engineer with a large corporation, asked Al to do some work for him. Fred knew that Al was short of work, so he offered him half his usual rate to save some money that he could use elsewhere in his project. Al objected but ultimately agreed to work for 75 percent of his usual rate. After a few weeks, Al got a lucrative contract and began marginalizing his work for Fred, doing it in a hurry and at the end of the day. In the end, the quality of his work suffered; Fred had to pay another firm to correct Al's mistakes, and the environmental portion of his budget was higher than he had estimated.

- **Compromise:** This is when two parties find a mutually acceptable solution that partially satisfies the interests of each, without straining their working relationship. It is similar to collaboration but expectations are lower: "sorta win/sorta lose." People are used to it and expect it. Compromise is appropriate when you and your opponents have equal power and are strongly committed to mutually exclusive objectives, when the "prize" is divisible, or when collaboration has be entried and wasn't successful.

Conflict Model: Typical Behaviours

While on vacation, Marvin saw a carpet in a store window and went in to inquire about the price. He was willing to splurge a bit - up to $350. The owner, who knew the carpet cost him $150, did not answer, trying instead to distract Marvin. Marvin commented that the carpet was not actually as nice as he first thought, so the owner showed him several other carpets; after looking at the others, Marvin asked for the price of the red carpet again. When the owner said $700, Marvin said the price was too high and offered $200. The owner refused and Marvin headed for the door, so the owner came down to $650 and Marvin again turned toward the door. In the end, they settled on $300. The owner was pleased to earn a 100 percent profit, and Marvin got the carpet for the price he wanted.

- **Accommodating:** If an issue is very important to your opponents and the outcome has no particular negative consequences for you or your interests, accommodation can be a goodwill gesture to maintain a cooperative relationship and build up social credits for future issues that are more important to you. Overuse of accommodation can damage your credibility.
- **Avoidance:** Procrastination is a common strategy, as is saying "yes" and just not following through. Although avoiding conflict is not a long-term solution, it is sometimes appropriate: if, for example, the potential damage of confronting the conflict outweighs any possible benefits; if you have no chance of satisfying your interests; if you and the other(s) involved need space and/or time; if your differences are trivial; if there are too many conflicts which you need to sort through and then focus; if you or the other(s) are unwilling or unable to resolve your conflicts; you don't care about the relationship; or you are powerless to effect change.

Elizabeth was a senior project engineer in a high-velocity impact research facility, and over the previous year, had implemented several design improvements to the projectile launcher, enabling it to shoot faster. A new manager was hired who questioned the modifications to the original component design and insisted that all modifications be undone, so that it would be identical to one used at another facility. Despite Elizabeth's argument and evidence that the modifications improved the launcher's performance, the manager insisted, and the situation escalated into hostility. Knowing that she did not have authority to go against the manager's instructions, and that she planned to return to graduate school the following semester anyway, Elizabeth asked to be assigned to another project for the duration of her time with the company.

2.8 Choosing the Appropriate Style

Do you feel that someone is continually taking advantage of you? Do you seem to have to fight your corner aggressively, or ally with others, to win the resources you need? Or do you struggle to get what you want from people whose help you need, but over whom you have little direct authority? If so, you may need to brush up your win-win negotiation skills.

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

There are different styles of negotiation, depending on circumstances.

Where you do not expect to deal with people ever again and you do not need their goodwill, then it may be appropriate to "play hardball", seeking to win a negotiation while the other person loses out. Many people go through this when they buy or sell a house – this is why house buying can be such a confrontational and unpleasant experience.

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

Neither of these approaches is usually much good for resolving disputes with people with whom you have an ongoing relationship: If one person plays hardball, then this disadvantages the other person – this may, quite fairly, lead to reprisal later. Similarly, using tricks and manipulation during a negotiation can undermine trust and damage teamwork. While a manipulative person may not get caught out if negotiation is infrequent, this is not the case when people work together routinely. Here, honesty and openness are almost always the best policies.

Negotiating Successfully

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

In an ideal situation, you will find that the other person wants what you are prepared to trade, and that you are prepared to give what the other person wants.

If this is not the case and one person must give way, then it is fair for this person to try to negotiate some form of compensation for doing so – the scale of this compensation will often depend on the many of the factors we discussed above. Ultimately, both sides should feel comfortable with the final solution if the agreement is to be considered win-win.

Notes

Only consider win-lose negotiation if you don't need to have an ongoing relationship with the other party as, having lost, they are unlikely to want to work with you again. Equally, you should expect that if they need to fulfill some part of a deal in which you have "won," they maybe uncooperative and legalistic about the way they do this.

2.9 Steps for Resolving Conflict

When you have a hard time with someone consider using the following strategy:

1. Identify the problem...and the person you are having trouble with. Figure out the specific behaviour or attitude that is bothering you and how frequently it occurs.
2. Look at the relationships...Examine how the person interacts with others. Is it similar to the way he interacts with you? What makes him/her act that way? Figuring out the causes of someone's behaviour helps point the way toward possible solutions.
3. Determine the costs...How does that behaviour effect others? Does it cause people to lose morale? Does it effect productivity? Does it make everyone uncomfortable? If no one is affected by the person's behaviour, the behaviour should be ignored.
4. Plan an approach...Once you identify that the person's behaviour does effect you and others, you need to have a discussion with the person. Plan an approach that fits the nature of the problem, the personality of the person involved and your relationship with that person.
5. Describe the behaviour...When you do meet with that person describe the behaviour in a non-accusatory manner and explain why it bothers you. Use "I" statements. For example, "Today during the meeting when I was talking about the budget and you interrupted me before I had finished my sentence, I felt really cut down."
6. State what you want...Next be clear about what you want. "I hope that the next time I talk that I won't get interrupted".
7. Seek commitment...Be sure the person understands and try to get commitment to change. "Do you see things the same way?"

2.10 Alternative Styles

In the advocacy approach, a skilled negotiator usually serves as advocate for one party to the negotiation and attempts to obtain the most favourable outcomes possible for that party. In this process the negotiator attempts to determine the minimum outcome(s) the other party is (or parties are) willing to accept, then adjusts their demands accordingly. A "successful" negotiation in the advocacy approach is when the negotiator is able to obtain all or most of the outcomes their party desires, but without driving the other party to permanently break off negotiations, unless the best alternative to a negotiated agreement (BATNA) is acceptable.

Traditional negotiating is sometimes called win-lose because of the assumption of a fixed "pie", that one person's gain results in another person's loss. This is only true, however, if only a single issue needs to be resolved, such as a price in a simple sales negotiation.

During the 1960s, Gerard I. Nierenberg recognized the role of negotiation in resolving disputes in personal, business and international relations. He published The Art of Negotiating, where he states that the philosophies of the negotiators determine the direction a negotiation takes. His Everybody Wins philosophy assures that all parties benefit from the negotiation process which also produces more successful outcomes than the adversarial "winner takes all" approach.

2.11 Strategies and Techniques of Negotiation

The art of negotiation can be a tricky skill to master. It takes effort, practice, intelligence, and a considerably high level of self-control. Learning the how-to's of effective negotiation can mean the difference of large sums of money, or of a corner office and a great job, or getting a great deal on a new car. Learning how to negotiate for what and how much you want can lead you to many great things in life, but it takes a dedicated student to master. Here are four effective negotiation techniques and strategies.

Be Respectful, and Be Prepared

One of the most important strategies when entering negotiations is to show respect both during the course of discussion and through ample and thorough preparation work. Show up to a negotiation well-prepared, with all of the facts, figures and data that you require to make a strong case for your point of view will not only help influence your counterpart, but it will show that you value their time and their participation, and that you have put considerable forethought into your planning.

Clearly Define Your Goals Beforehand

Before entering any negotiation, whether it's to close a deal, discuss salary or purchase a car, as part of your preparation, clearly and effectively define to yourself your goals for the negotiation, and delineate what you want to get out of it. By going into negotiations with your goals clearly defined in your head, you will be able to keep your eyes on the prize and not allow your counterpart to cloud your head or distract you.

Be Flexible

The Japanese parable of the strength of a tree branch applies as well with the art of negotiation. The parable reads that a branch that bends can withstand great force, a branch that is rigid and inflexible snaps under the slightest breeze. As part of your prep work, plan out all of the areas where you can safely yield your position to your counterpart. This will not only make you seem magnanimous and willing to deal, it will likely foster enough good will in your counterpart to convince him to "trade" something of his that you will want.

Notes

Avoid Domineering Theatrics

We've all seen those movies where the tough as nails negotiator enters the room, refuses to budge an inch, and goes into an angry outburst that scares the other party and convinces them to give up everything. That negotiation strategy doesn't work in the real world. Such techniques only lead to a swift end to negotiations and no one gets anything. Calmness is a good negotiation skill to develop in the board room.

CASE STUDY: The Panama Canal Negotiations

The completion of the Panama Canal is one of the world's great engineering feats. The negotiations to complete and build this vital connector between two oceans spans decades. The cost in human lives, suffering, and capital staggers the imagination. It all began in 1847 when the United States entered in a treaty with New Granada (later to be know as Colombia), and which allowed the U.S. a transit passage over the Isthmus of Panama. The treaty guaranteed Panama's neutrality and recognized that Colombia would have sovereignty over the region.

Nothing really occurred with this development and ultimately, a French company called the Compagnie Nouvelle du Canal de Panama acquired the contract to build the canal in 1881. By 1889, the Compagnie had gone bankrupt and had lost roughly around $287 million U.S. along with approximately 20,000 lives in the process. It is also in 1889 that the U.S. has become convinced that the canal passage was absolutely vital to their interests. They appointed Rear Admiral John Walker to head the Commission and to choose the most viable route.

Naturally, the U.S. was interested in the Panama route already started by the French. The French company which had been heading for bankruptcy, and seeing the writing on the wall before their bankruptcy in 1889, had entered into negotiations with the U.S. The French company was eager to extricate themselves from the project. At the time, their holdings were extensive and included land, the Panama Railroad, 2,000 buildings, and an extensive amount of equipment. They felt their total holdings should be valued around 109 million U.S., but Rear Admiral Walker estimated them to be not greater than about 40 million U.S., a significant difference.

As negotiations progressed, the Americans began to hint that they were also interested in the possibility of building an alternative canal in Nicaragua. The French

Notes

countered with the ploy by claiming that both Great Britain and Russia were looking at picking up the financing to complete the canal's construction. It was subsequently leaked to the U.S. press, much to the French company's pique; that the Walker Commission concluded that the cost to buy out the French company was too excessive and recommended the Nicaraguan route.

A couple days later after this news, the president of Compagnie Nouvelle resigned. The resulting furore caused the stockholders to demand that the company be sold to the U.S. at any price they could get. The Americans became aware that they could now pick up all the French holdings for 40 million dollars. However, the Walker Commission had not just been a ploy by the Americans because the Nicaraguan route was actually a serious proposal that had a lot of backing in the U.S. Senate. President Roosevelt had to engage in some serious political manoeuvrings to get everybody on board of the Panama passage. The Walker Commission changed its recommendation to favour Panama as the canal route.

But the story doesn't end there. Next, the U.S. signed a new treaty with Colombia's charge d'affairs which gave the U.S. a six mile area across the Isthmus and agreed to financial remuneration that was to be paid to Colombia. The Colombian charge d'affairs had signed the treaty without communicating with his government. The treaty was rejected by Colombia. In the meantime, revolution against Colombian authority was afoot in Panama. Since they believed they had signed a legitimate treaty, Roosevelt sent warships to the area to negate the Colombians, and thus secured U.S. interests, and offered aid to the Panamanians in their quest to separate from Colombia. Panama succeeded in their revolt and became a republic. In 1914, the Panama Canal was opened.

Questions:

1. How different negotiation tactics can be employed to negotiate and conclude a better international agreement?
2. Analyse the case and Discuss the case facts.

2.12 Conflict Management Strategies and Techniques

Inevitably there will be conflicts surrounding and within an organization and how they are resolved can have a negative or positive effect.

Ineffective Techniques

- **Non-action:** This is when people do nothing in hopes that it will someday disappear.
- **Secrecy:** This is when a certain group of the organization try to hide the problem from the majority.
- **Administrative orbiting:** This happens when people delay the conflict and tell others not to worry because it's being worked on.

- **Due process Non-action:** This happens when a problem is too costly, or it will take to long, or is a big risk.
- **Character assassination:** This action is to diminish an individuals/groups reputation and often leads to slander.

Effective Techniques

- **Superordinate goal:** This is an organization goal that should be focused on by the conflicting parties rather than individual goals.
- **Expanding resources:** This is where the conflict is limited resources, so the simple solution is to provide more.
- **Changing personnel:** This happens when the conflict is pinpointed to an individual commonly with a low level emotional intelligence.
- **Changing structure:** This is when the organization restructures and creates an integrator role, which becomes a moderator between the two conflicting parties.
- **Confronting and negotiating:** This is when the parties confront and engage in an open discussion. There are negotiations in hopes of a mutually agreed upon compromise.

Major Negotiating Approaches

1. **Distributive bargaining:** Approach in which the goals of the parties are in conflict, and each party seeks to maximize its resources.
2. **Integrative negotiation:** This is when both parties want the outcome to be a win-win situation because both parties have wants (Lewicki).

2.13 Social Perception

Perception is used everyday. Perception is how we, as individuals, assess situations. A burning stove top is perceived to be hot. Traffic is perceived to be speeding up or slowing down. People are perceived to be friendly or threatening. Yet when it comes to perceiving people, there are many more perceptions that are made. These social settings and environments are what makeup social perception. The same settings can be applied to a smaller scale. This scale can be school, family, or the work force. The work setting can be one of many challenging social perceptions. From the job interview, to leaving the company, and everything in between, employers are evaluating their employee's job performances, and employees are not only assessing one another, but their employer as well.

Perhaps the most important part of social perception is the first meeting of a person, or the first impression. When two people meet for the first time, an instant anchor is dropped. This is a mental anchor that gives a brief, and very general, view of the new individual. Clothes that are worn, the way the hair is combed, the way the person stands or sits, all create the impression a person gets when they are met for the first time. From this impression, an individual makes instant reactions to whether the person is friendly, outspoken, quite, etc. It allows one to make a brief judgment on the personality of an individual. This is necessary in order to be able to interact with people. Although a first impression does not provide an in depth characterization of an individual, it does allow one to be able to initially interact with them. This process allows employers in a job interview to make quick decisions that will either be positive or negative for both the employer and the employee. Mentally the decision is made in the first few moments of contact. As time goes on the employer can justify further, with continuous questions, that the interviewee will be good for the company, or if they employer needs to search for a new candidates.

First impressions can be slowly swayed over time. It is not easy to change someone's first impression, nor is it ever changed much. The anchor can only be pulled in one direction or another so far, and after much effort, in this case continuous interactions. Familiarity is the only way to obtain the truest sense of who a person really is. By learning the personality and tendencies of a person, one can better understand that person's behaviours and actions.

2.14 Importance of Perception

People's behaviour is based on their perception of what reality is, not on reality itself. The world as it is perceived is the world that is behaviourally important.

Factors that Influence Perception

1. Perceiver
2. Situation
3. Target

Person Perception: Making Judgments About Others

Basically, the theory suggests that when we observe an individual's behaviour, we attempt to determine whether it was internally or externally caused.

Determinants

1. **Distinctiveness:** shows different behaviours in different situations.
2. **Consensus:** response is the same as others to same situation.
3. **Consistency:** responds in the same way over time.

How Perception Helps Employers in Organisation

Human nature can be very simple, yet very complex too. An understanding and appreciation of this is no prerequisite to effective employee perception in the workplace and therefore effective management and leadership.

There is a known fact that without perception , nothing can be done in an organization and for doing any task we need a perception which is accepted by all the employees in an organization. It is the key for the manager to make her team work and get the better output for the organization.

Perception helps each and every individual in the organization to carry the things in different ways as the organization needs different perceptions to make successful results.

If the manager has good perception in any department of the organization, the department team will have SAFE SOLUTIONS with RISKY IDEAS.

- to find innovative solutions for the problem.
- to leverage creativity and motivate the higher plateau of thinking.
- with the help of perception, habits and attitudes will get changed.
- with the help of perception, we can find solutions the most difficult problems.

Perception Plays both Positive/Negative Part in Many Aspects of the Organisation

Employment Interview

- Perception can help the manager to recruit the best fit.
- Perceptual biases can affect the accuracy of interviewers' judgments of applicants.

Performance Expectations

- Perception can help the manager to make the most effective judgement on the expectation.
- Self-fulfiling prophecy (pygmalion effect): The lower or higher performance of employees reflects preconceived leader expectations about employee capabilities.

Performance Evaluations

- Perception can help the manager to make the most effective performance appraisal of the employee.
- Appraisals can be subjective perceptions of performance.

Employee Effort

- Perception can help the manager to make the right judgement of the employee's effort.
- Assessment of individual effort is a subjective judgment subject to perceptual distortion and bias.

2.15 Role of Perception in Attitude Formation

Theories of Attitude Formation and Change.

Functionalist Theory

Daniel Katz proposed a functionalist theory of attitudes. He takes the view that attitudes are determined by the functions they serve for us. People hold given attitudes because these attitudes help them achieve their basic goals. Katz distinguishes four types of psychological functions that attitudes meet.

1. **Instrumental:** We develop favourable attitudes towards things that aid or reward us. We want to maximize rewards and minimize penalties. Katz says we develop attitudes that help us meet this goal. We favour political parties that will advance our economic lot - if we are in business, we favour the party that will keep our taxes low, if unemployed we favour one that will increase social welfare benefits. We are more likely to change our attitudes if doing so allows us to fulfill our goals or avoid undesirable consequences.
2. **Knowledge:** Attitudes provide meaningful, structured environment. In life we seek some degree of order, clarity, and stability in our personal frame of reference.
3. **Value-expressive:** Express basic values, reinforce self-image. For example, if you view yourself as a Catholic, you can reinforce that image by adopting Catholic beliefs and values. For example, we may have a self-image of ourselves as an enlightened conservative or a militant radical, and we therefore cultivate attitudes that we believe indicate such a core value.
4. **Ego-defensive:** Some attitudes serve to protect us from acknowledging basic truths about ourselves or the harsh realities of life. They serve as defense mechanisms. For example, those with feelings of inferiority may develop attitude of superiority.

   Katz's functionalist theory also offers an explanation as to why attitudes change. According to Katz, an attitude changes when it no longer serves its function and the individual feels blocked or frustrated. That is, according to Katz, attitude change is achieved not so much by changing a person's information or perception about an object, but rather by changing the person's underlying motivational and personality needs.

   For example, as your social status increases, your attitudes toward your old car may change – you need something that better reflects your new status. (For that matter, your attitudes toward your old friends may change as well).

Learning Theory (which Stresses Attitude Formation)

There are several means by which we learn attitudes.

1. **Classical conditioning:** For example, a father angrily denounces the latest increase in income taxes. A mother happily announces the election of a candidate she worked

for. These parents are expressing opinions, but they are also displaying nonverbal behaviour that expresses their emotions. For a child watching the parents, the association between the topic and the nonverbal behaviour will become obvious if repeated often enough. And the nonverbal behaviour will trigger emotional responses in the child: the child feels upset and disturbed when listening to the father and happy when listening to the mother.

This is an example of classical conditioning: when two stimuli are repeatedly associated, the child learns to respond to them with a similar emotional reaction. In this case, the stimuli are the attitude topic and the parental emotion. Through repeated association, a formerly neutral stimulus (the attitude topic – taxes or politicians) begins to elicit an emotional reaction (the response) that was previously solicited only by another stimulus (the parental emotion). Whenever tax increases are mentioned, the child feels an unpleasant emotion; when the elected official is mentioned, the child feels a pleasant emotion.

For example, Pavlov's dogs. Bell was rung when dogs received food. Food made dogs salivate. Then whenever a bell was rung, dogs salivated even when food was not present.

For example, When you were a child, parents may have cheered for N.D. football. You may not have even known what N.D. football was, but you liked your parents happy attitude. Now N.D. football evokes that same response in you.

For example, Men with bow ties. Meet a bad man who wears bow ties, and you may come to hate all bow ties.

COMMENT: This explains why behaviours can persist even after reinforcement is withdrawn. Also helps explain self-reinforcement.

2. **Instrumental, or operant, conditioning:** Behaviors or attitudes that are followed by positive consequences are reinforced and are more likely to be repeated than are behaviours and attitudes that are followed by negative consequences.

   For example, People agree with your opinion.

3. **Observational learning:** Children watch the behaviour of people around them and imitate what they see. For example, if a young girl hears her mother denounce all elected officials as crooks, she may repeat that opinion in class the next day. Whether she continues tore peat that opinion depends on the responses of her classmates, teacher, and parents. That is, observations determine the responses we learn, but reinforcement determines the responses we express.

Cognitive Dissonance Theory

Stresses attitude change – and that behaviours can determine attitudes.

1. Cognition = individuals perception of own attitudes, beliefs, behaviours. Cognitive dissonance = feelings of tension that arise when one is simultaneously aware of two

inconsistent cognitions. For example, when we act contrary to our attitudes; or, when we make a decision favouring one alternative despite reasons favouring another.

2. Consistency theories hypothesize that, should inconsistencies develop among cognitions, people are motivated to restore harmony.
3. Key propositions of dissonance theory:
   (i) Dissonance theory says relationships among two cognitions can be either consonant, dissonant, irrelevant
   (ii) Cognitive dissonance is a noxious state. It produces unpleasant physical arousal.
   (iii) Individual will attempt to reduce or eliminate dissonance – and will try to avoid things that increase dissonance.
   (iv) For example, selective observation.
4. Cognitive dissonance can be reduced or eliminated only by (a) adding new cognitions, or (b) changing existing ones.

   For example, can change our minds. Decide we were wrong.

   For example, can "make up" information, as in the "When prophesy fails" example.

   For example, we may seek new information that can restore consonance.

   For example, try to discredit source of dissonance in some way – either by making up info or seeking counter-evidence.

Sources of Dissonance

1. **Informational inconsistency:** Receive information that contradicts what they already know or believe.

   For example, suppose you believe George Bush did not know about Iran-Contra - and then suppose Oliver North testified that he was the mastermind behind it. (Real life example: some Iranians are said to believe George Bush did head up Iran-Contra, since heused to be head of the CIA and they think the CIA runs the country.)
2. **Disconfirmed expectations:** People prepare themselves for an event that never occurs – or even worse, an event whose opposite occurs. For example, you expect to do well on an exam, and you don't.

   For example, when prophesy fails. In 1955, Marian Keech predicted that a great flood was going to destroy the Western Hemisphere on Dec. 21. She said she got her information from the planet Clarion. She attracted a band of followers, and received further messages about how the faithful could save themselves. Midnight of the big day came and passed, and nothing happened. At 4:45 a.m., they received a Christmas message informing them that because of their commitment and faithfulness, the earth had been spared.

Q: How did the followers behave, both before and after the event?

Prior to the big day, they were very secretive, and shunned publicity. After the big day, they called the media, sent out press releases, and recruited new followers. Why?

Many of these people had quit their jobs, and broken up with their spouses and friends, based on a belief that had been disconfirmed. This produced dissonance. They couldn't deny their past beliefs – they couldn't say the flood had occurred – they couldn't deny they had quit their jobs. They could have decided they were mistaken, but that would create dissonance with other cognitions, such as their being intelligent people. Hence, they convinced themselves they were right all along, and their faithfulness had saved the world. Further, if they could convince others to adopt their views, this would affirm their sense that their views were correct.

3. **Insufficient justification for behaviour:** People do things which they lack justification for.

   For example, in a classic Festinger experiment, subjects were given a peg board and told to carefully turn each peg 1/4 turn. Then, after doing all the pegs, they were told to turn them another 1/4 turn. Later they had to carefully remove each peg, and then put them all back. After an hour, they were told they were done. The experimenter then said "We are comparing the performance of subjects who are briefed in advance with those who are not briefed in advance. You did not receive a briefing. The next subject is supposed to be briefed, but my assistance who usually does this couldn't come to work today." Subjects were then asked to tell the next student the task was fun and exciting, and were offered either $1 or $20 for doing so. Those who only got paid a $1 were more likely to report they thought the task was interesting, because they lacked a strong justification for their actions.

4. **Post-decision dissonance** – after every decision, you feel dissonance because you have rejected some good things and accepted some bad. We tend to become more certain of decisions afterwards.

   For example, bettors approached after they had placed bets at the racetrack were more sure of their choices than those approached before placing bets.

   Note: This does not mean we never regret a decision. Disconfirmed expectations, new information, or whatever may cause us feel we made a mistake. However, until these new events/information or whatever comes along, we will tend to feel more confident about our decision. Obviously, in the case of the racetrack example, people may have felt more confident after they placed their bets, but after the race was run a lot of them probably didn't feel so confident anymore!

5. **Not all inconsistencies result in cognitive dissonance:** How is inconsistency possible?

   (a) Cognitions may not be important to the individual - hence inconsistency does not produce discomfort.

Notes

(b) Cognitions may not come in contact with each other - contradictions can go unnoticed. Behavior may be mindless. For example, we might enjoy a national park - without realizing we are overtaxing it.

Note: The following relate primarily to counter attitudinal behaviour.

(c) Aversive consequences are not perceived. In order for cognitive dissonance to occur, a product must result from the counter attitudinal behaviour. That product is the bringing about, or possible occurrence, of an aversive event. Aversive event = something that goes against your self interest, or that you would rather not have occur.

For example, in a variation of the boring tasks experiment, some subjects were ledto believe they had actually deceived their fellow student, while others thought they had not deceived them. Only those who thought they had succeeded experienced dissonance.

For example, in another variation, subjects were led to like or dislike the other student. The only subjects who changed their attitude about the task were those who successfully convinced a student they liked.

Note that the consequences need not actually occur; it is the subjects perceptions that the consequences will result from their actions that is important.

(d) Person must feel personally responsible. If the person feels that environmental forces caused the action, or that the unwanted events were unforeseeable, they won't feel dissonance. How voluntary is the behaviour? Were the consequences foreseeable. Note that foreseeable is not the same as foreseen – if you could have foreseen it but didn't, you can feel dissonance.

We close with a commonly proposed alternative to dissonance theory.

Bem's Self-perception Theory

Says we infer our attitudes from our behaviour. There is no tension, rather, behaviour just serves an informative purpose. We calmly observe our behaviour, and draw reasonable inferences from it, just as we do when observing other people.

For example, in the Festinger experiment, those who got $20 would assume their behaviour was forced by the environment. Those who only got $1 would assume they did what they did because what they said was true.

For example, Bem showed that the results of cognitive dissonance experiments could be replicated quite well by observers. People read descriptions of the procedures, and predicted people's attitudes correctly.

For example, "I must have really been tired, I slept a long time."

"I must not like him, I was really rude to him."

"I must really like this course, I studied really hard for the exam."

It is hard to choose between self-perception and cognitive dissonance theory since both usually make the same predictions. However, there is evidence that, as c. d. theory predicts, physiological arousal (that is, tension) accompanies dissonance conditions. Further, when arousal is eliminated(through the use of drugs or alcohol), attitude change does not occur.

On the other hand, self-perception can explain some things dissonance can't. For example, when people are suddenly rewarded for doing something they did before just because they liked it, they can come to like it less.

For example, (From Myers): Child was reading 6-8 books a week. Library then started a reading club which promised a party to those who read 10 books in three months. Child started checking out only 1 or 2 books a week. Why? "Because you only need to read 10 books."

Myers suggests dissonance theory successfully explains what happens when we act contrary to our clearly defined attitudes. We feel tension, so we adjust our attitudes to reduce it. Dissonance explains attitude change. When attitudes aren't well-formed, self-perception theory explains attitude formation that occurs as we act and reflect. (I think he may be right about the latter point, but I'm not so sure about the first.) Key thing, then, is how discrepant is the behaviour with the attitude.

Real World Applications

Racism

It has often been said you can't legislate morality. Yet, changes in civil rights laws and policies have been accompanied by changes in attitudes. Since Brown vs. Board of Education in 1954, the percentage of white Americans favouring integrated schools has more than doubled. Since Civil rights act of 1964, the percentage of white Americans who described their neighborhoods, friends, co-workers, or fellow students as all white declined by 20 percent for each of these measures. Possible explanations:

1. Disconfirmed expectations: Predicted calamities did not occur.
2. Information inconsistent with previous beliefs led to attitude change.
3. People were forced to behave in a counter-attitudinal manner. People who said they would not comply with laws did. Ergo, they reasoned blacks must not be so bad.
4. Racist attitudes became non-instrumental, because of the high costs of violating laws. You had to interact with blacks, so you might as well like them.
5. Value-expressive – racism became inconsistent with the images most people like to hold, so they adopted anti-racist attitudes.

Example: Suppose you wanted a friend to support a political candidate. What might you do?

1. Get them to do some small task as a favour to you. Counter-attitudinal actions might influence attitudes; exposure to dissonant info might change their minds; classical

Notes

or instrumental condition could take place – they receive praise for working for the candidate, which leads to positive attitudes.

2. If friend is for another candidate – provide them with dissonant info. Point out candidate is weak in areas friend likes him.
3. What if friend doesn't change his mind? This could occur because (a) friend discredits the source of the info – you (b) instead of liking the candidate, friend could decide he doesn't like you.

Attitudes and Behaviours

1. Is there an attitude-behaviour relationship?
    (a) LaPiere's work apparently said no.
    (b) Subsequent work over next 35 years did little better. As Abelson (quoted in Myers) said, "we are, apparently, very well trained and very good at finding reasons for what we do, but not very good at doing what we find reasons for."
2. Later work found a relationship
    (a) Expressed attitudes are not always the same as true attitudes, especially when dealing with sensitive topics. Methods such as the "bogus pipeline" and other methods for dealing with sensitive questions are helpful here.
    (b) Specificity of measures was found to be important - items used were not specific enough. Should determine attitudes toward the specific behaviour, rather than some more general topic. Fishbein and Aizen note that, ideally, measures should correspond in Target, Action, Context, and Time.
    (i) *Target:* Suppose I say I think drugs are bad - yet I smoke marihuana, or rink alcohol. There are different targets here. When you say drugs, I may think more of thinks like cocaine and heroin than I do marihuana or alcohol. I might have favourable attitudes toward the environment, but have negative attitudes toward recycling because I find it inconvenient.

    In LaPiere's case, subjects may have viewed the target as a devious oriental, rather than a nicely dressed oriental couple travelling with a white man.
    (ii) *Action:* I can be against selling cocaine, but still willing to use it personally. I might support somebody's right to have an abortion, while being opposed to having an abortion myself. (We see this in public opinion polls today - a lot of people oppose abortion, while still supporting the right of others to have abortions, at least under certain circumstances.)
    (iii) *Context:* I might support the right to have an abortion under certain circumstances (save the life of the mother, rape, incest) while being opposedto it in others. Indeed, depending on the question asked, you get widely varying

levels of support for abortion. I might think it is ok to drink when I am going to stay at home, but not when I am going to drive.

(iv) *Time:* It is ok to drink at night or on the weekends, but not in the morning.

Type of Attitude Measured is Important

Cognitive, affective, conative. These are not identical or totally consistent - our minds are not efficient enough to process all information immediately and consistently. The behavioural component of attitudes best determines what we do.

2.16 Personality

Each individual has their own unique personality. This personality can show how a person behaves and reacts to certain situations. There are many different factors to consider when determining personality, like environment settings and heredity traits. A person's personality can also have an effect on self-esteem, which is an individual's general feeling of self-worth, as well as self-monitoring, the ability to base behaviour on social cues. Different theories are used today to help measure a person's personality such as trait theory, psychodynamic theory, humanistic theory, and integrative approach.

In measuring self-esteem, Rosenberg's Self-Esteem Scale can be used to help measure the trait self-esteem of individuals in a given environment or situation. This will help determine who could have high or low self-esteem and what caused them to have it. "…persons low in self esteem are less likely to make effective use of self-protection strategies, we hypothesized that this strategy of deflecting the threat involved in upward comparison would be used primarily by persons who are characteristically high in self-esteem." (Musssweiler, Gabriel, Bodenhausen, 2000) According to the social comparison research by Mussweiler, Gabriel, and Bodenhausen, the majority of the individuals tested used the gender and ethnicity to either separate themselves from another or to use this factor to help them achieve a higher self esteem, or it could have the opposite effect of putting down one's own self-worth. The overall outcome in all situations is that people will develop different methods to block out unpleasant feelings of being outperformed, the experience of inferiority.

2.17 Application of Personality Theory in Organizations: The Meyers Brings Type Indicator Instrument

As a follow up to Carl Jung's theory that every individual is fundamentally different, the Meyers-Briggs Type Indicator Instrument, the MBTI, measures an individual's personality preferences in a variety of organizational settings, including: team building, management, decision making, leadership, career counselling, and many more. The MBTI examines four dichotomies: Extroversion/Introversion, Sensing/Intuition, Thinking/Feeling, and Judging/ Perceiving. Each dichotomy has an explanation about the characteristics associated with each type.

The MBTI is based on the Jungian theory of personality; meaning, it can be used in all populations, including non-clinical settings. Meyers and Briggs, authors of the MBTI, used Jung's theory to predict people's patterns of behaviour. "Because the results of the MBTI are subject to a variety of environmental influences, such as work tasks and organizational climates and values, interpretations have to be treated with caution and individually verified" (Michael, 2003). Many people use the MBTI test in a rigid fashion causing the results to be an inaccurate assessment of people's personalities. If the weaknesses of the test were considered, and people would use the test with caution, adjustments can be made to determine an accurate assessment of any changes in an individual's behaviour.

Attribution in Organizations and Managerial Implications: Using Personality, Perception, and Attribution at Work

The attribution theory explains how individuals pinpoint the causes of their own behaviour and that of other people. There are two sources of "power" that human beings believe are responsible for the outcome of their own actions. One source is internal; we normally relate success and elements under our control as an internal attribution. The second source is external: we normally relate failure and elements out of our control as an external attribution. Success in the workplace can simultaneously alternate between internal and external. You might have been prepared and researched for a project and believed your success was internal. On the other hand, you may believe you were lucky to have done such a great job on a project, attributing your success to external forces.

Perception of internal and external forces has resulted in the fundamental attribution error. The fundamental attribution error occurs when one views the bad behaviour of others as internal and their own bad behaviour as external. It is much more difficult for others to see the external forces surrounding the individual conducting the bad behaviour, where as, it is clear to the individual conducting the bad behaviour, to relate their own behaviour to their surrounding forces. Managers who acknowledge the personality differences between themselves and other employees can begin to appreciate those personality differences and create a more effective communication environment.

CASE STUDY: Selective Group Perception

The Hastorf and Cantril case study

Background of the study

Hastorf and Cantril's case study analyzed what proved to be selective group perception of a football game contested between the Dartmouth Indians and Princeton Tigers. The football game the students watched had been played in 1951, and in that game Princeton won. It was a tough game, with a lot of penalties and caused uproar in series of editorials in campus newspapers.

The Princeton quarterback, who is an All-American, in his last game for college, left the game in its second quarter with a broken nose and a mild concussion. When third quarter came, Dartmouth quarterback ended up with a broken leg after being tackled in the backfield.

Methodology

A week after the game, Hastorf and Cantril asked both Dartmouth and Princeton students of psychology to answer a questionnaire. The researchers then analyzed and interpreted the answers of those who had seen the game either in real or in a recorded movie.

They had two other groups view a film of the game and then tabulated the number of infractions seen.

Results

The Dartmouth and Princeton students noticeably had varying responses. When asked who started the rough play, almost no one said that Princeton did. Furthermore, 36% of the Dartmouth students and 86% of the Princeton students said it was Dartmouth who started it. On the other hand, 53% of the Dartmouth students and 11% of the Princeton students that both did start it.

In detail, here are the questions and the respective tallied answers from Dartmouth students and Princeton students:

"Which team do you feel started the rough play?"

	Percent Dartmouth Students	**Percent Princeton Students**
Princeton started it	2	0
Both started it	53	11
Dartmouth started it	36	86
Neither/no answer	9	3

"Do you believe the game was clean and fairly played or that it was unnecessarily rough and dirty?"

	Percent Dartmouth Students	**Percent Princeton Students**
Clean & Fair	13	0
Rough & Fair	39	3
Rough & Dirty	42	93
don't know	6	4

After showing a film of the game, Princeton students 'saw' the Dartmouth team make over twice as many rule violations as were seen by Dartmouth students. The researchers interpreted this as a manifestation of selective group perception. They interpreted these results overall as indicating that, when encountering a mix of occurrences as complex as a football game, we experience primarily those events that fulfill a familiar pattern and have a personal relevance to us.

For the students of each school, the selective group perception and memory of what might seem to be the same event involved a very active construction of different realities. Our membership in a group often provides us a frame and a filter through which we view social events, skewing our perceptions.

The said game definitely left a mark on the students from both schools, marked by different views also to those people who felt no allegiance to either of the teams. And even those belonging to the same group, the game meant different things to the team members and their fans. This particular case study demonstrates the crucial role of values in shaping one's perception and judgment.

Question:

Analyse the Case and discuss the case facts.

Communication

Everyday, we use communication to express our thoughts and feelings. There are many different types and styles of communication. From verbal to non-verbal communication and from face to-face to electronic, every word said and move made is communicating different emotions and ideas to those around us.

Interpersonal Communication

Interpersonal Communication contains four key elements: the communicator, the receiver, perceptual screens, and the message. The communicator is the person speaking or sending the message. The receiver is the person listening or receiving the message. Perceptual screens are window through which we interact with people in the world. They are the specifics rather: age, race, religion, value, beliefs, etc. These specifics have a large impact on how to send and receive messages. The message should have two working components. Perceptual components are the words and concepts used to deliver the message and the emotional component is the demean or in which the individual receives the message. Feedback is also important in communication so the two parties are clear that they sent and received the same message and that one party is not under the wrong impression. Language has become increasingly important due to growing global relations in organizations. Because of language barriers, it is difficult to send and to receive messages. Data is the information intended to communicate a message to someone and the information is the data translated in the message already.

Reflective Listening

Reflective Listening focuses on personal elements of the communication and not the abstract ideas. Reflective listening should be feeling oriented and responsive. The listener should show empathy and concern for the person communicating. A good reflective listener would concentrate on the discussion at hand and worry about the main components of focus while allowing the speaker to lead you in the communication. Verbal response is primary in reflective listening and there are four important parts of verbal response.

Affirming Contact

When responding to the communicator, making contact is affirming contact. For example, use simple phrases such as "yes" or "I understand."

Paraphrasing the Expressed

Paraphrase expressed thoughts and feelings by waiting for the appropriate time to tell them your thoughts and feelings about them and the message you received.

Clarifying the Implicit

Clarify implicit thoughts and feelings by assuring your assumptions are correct and you received the implicit message accurately.

Reflecting "Core" Feelings

Reflect core feelings with caution knowing that the core feelings could bring new awareness to the speaker they were not aware prior. When reflecting core feelings, be precise and assertive without being overly pushy.

Silence

Long silences may cause awkward feelings for both the communicator and receiver but shorter silences can be good for both parties to have time to think and sort out what is going on and what they want to say next.

Eye Contact

Eye contact can also play a part by letting the other person know you can focused, listening, and want to communicate with them.

One-Way Versus Two-way Communication

These four levels of verbal response will help to insure two-way communication where both the communicator and the receiver are active in the communication. One-way communication can be good in the right circumstances. If someone needs to state a lot of information and a response is not necessary, then one-way would be a good form of communication.

2.18 Five Keys to Effective Supervisory Communication

Expressive Speakers

It is important that both managers and supervisors are open communicators. They should feel comfortable in communicating to others their personal thoughts and feelings in relation to a subject so their employees, in turn, are fully educated on their total outlook.

Empathetic Listeners

Active listening is a key trait in many successful supervisors. Included in active listening are insightful listening skills. In other words, responding to problems brought to their attention by all individuals for and with which they work. Additionally, it is important the supervisors react to the worries of the individuals in a timely manner.

Persuasive Leaders

In order to attain goals, successful supervisors must be persuasive leaders. In other words, they are much more likely to obtain others to follow their ideas and beliefs if they can successfully persuade them to do so.

Sensitive to Feelings

When an employee needs to be corrected, it is important the supervisor does so while taking into consideration the feelings and esteem of the employee. Sometimes, an individual will seek correction when they know they have performed less than adequately; however when employees perform less than adequately and do not seek correction it is then the employee is trying to "not only preserve their self-images, but also mange their impressions on others" (Moss). A successful supervisor is both secure and positive in their feedback; never scolding in public, for public scolding does not reserve the esteem of the employee. Instead, a successful supervisor will use public areas in times of praise.

Informative Managers

Successful managers take the time to inform properly all employees in areas related to their job. Before a manager gives information, however, a successful one will be sure to sift through the information. As a result, the employee remains informed but not overwhelmed.

2.19 Barriers and Gateways to Communication

There are five types of barriers of communication. These include Physical Separation, Status Differences, Gender Differences, Cultural Diversity, and Language.

Physical Separation

Physical Separation differs with technology but works best face-to-face.

Status Differences

Status Differences can vary if you are a low-income person talking to someone that looks wealthy, which occurs in a manager-employee situation.

Gender Differences

Gender Differences can be difficult because women and men communicate in different ways.

Cultural Diversity

Cultural Diversity can be a barrier of communication because other cultures have different morals and ways of life. In addition, dealing with stereotypes can be completing as well.

Language

Languages can be hard to get over if someone is speaking a different language that you do not understand.

Notes

2.20 Defensive and Non-defensive Communication

Defensive Communication

Defensive communication is that which can be aggressive and attacking or passive and withdrawing. This form of communication will usually elicit a defensive response. Defensive communication can create barriers and conflicts within an organization and make it difficult to accomplish tasks.

Subordinate Defensiveness

Subordinate defensiveness is withdrawing behaviour and the attitude of the individual is commonly "you are right, and I am wrong." These individuals do not accurately show their thoughts and feelings and can have a low self-esteem. This kind of behaviour can seem passive on the outside; however, the behaviour fuels with hostility on the inside. Passive aggressive behaviour for example is a form of defensiveness that begins as subordinate defensiveness and ends up as dominant defensive.

Dominant Defensiveness

Dominant defensiveness is an offensive behaviour pattern with aggression and attacking attitudes. For example, people who are higher up on the ladder often want to get their point across but fail to do it accurately. Instead, they resort to telling people how to accomplish something with no room for support or advice. The attitude of the individual is commonly, "I am right and you are wrong."

Defensive Tactics

To act out the defensive communication, defensive tactics are used. Examples are labelling, put downs, deception, or hostile jokes. Not only are these defensive tactics but they will receive defensive responses.

Non-defensive Communication

Non-defensive communication is an assertive, direct, and powerful form of communication. It can open communication lines and help achieve goals quickly and appropriately. This kind of communication shows self-control, helps others to understand you in working situations, and helps to reduce negative responses. Assertiveness is a key aspect in non-defensive communication because it is an accurate and informative statement. Additionally, it is self-affirming and gets your point across without seeming demanding.

Non-verbal Communication

Non-verbal communication includes all the elements of communication that do not involve words or speech. It involves how you move your body, eyes, mouth, the expressions that you make, and all other ways of communicating without speaking. Non-verbal communication varies greatly with culture.

Proxemics

Proxemics deals with our territory, and the space around us. We form barriers and need a certain amount of space between us and other people in order to feel comfortable. We will be very close with our loved ones- with whom we have an intimate or personal relationship. Next, our friends will be farther away, followed by associates and acquaintances, and finally strangers or the public will be held at the farthest distance.

Facial and Eye Behavior

Facial and Eye Behavior is how we convey messages or feelings with our face and eyes. Manytimes we convey our feelings or true intent through our facial expressions, giving others cues as to what we are truly thinking or feeling. As humans, we tend to be much more observant and aware of emotions conveyed through the face than by other means, such as leg movements and arm movements (Frank and Ekman)

Paralanguage

Paralanguage are the variations that we put into our speech. For example, talking fast means weare in a hurry, yelling that we are angry, and using interruptions or interjections such as "hey"to convey that we want to say something.

How Accurately Do We Decode Non-verbal Cues?

Through study, general understandings of non-verbal cues were developed and interpreted with a decent amount of accuracy. Understanding non-verbal cues can be useful and important in an organization when trying to understand the full meaning of an interaction. Non-verbal cues are only a portion of the message; one should consider every aspect of the interaction.

2.21 Positive, Healthy Communication

Communicating head-to-heart dialog and emotional competence is the way to achieve a positive and healthy communication. When we communicate it is suggested that we try to be heartfelt it shows well-being and a healthy way to express yourself. When not using this method one may tend to isolate and be lonely. In the work environment working together is it important to use positive and healthy communication because when speaking your ideas, feelings, and emotions it displays positive behaviours. In addition, this open communication shows a base for trust and truth. When honest it can bring out the best in the people when working together. When working together talking through challenging issue, personal or professional. We will be able to have a wider range of human relationships. "The need to communicate through his or her various formal roles, the executive has a deeper interpersonal need for communication and relationship that is seated at the limbic or emotional level of the brain. This deep interpersonal communication is the target of our coaching model as it reaches beyond the superficial mask of control, drive, and competition and develops within the executive awareness, understanding, and management of the emotions that are fundamental to his or her being" (Quick and Macik Fray). Finally, in positive and healthy communication is a display that you are ethical and have integrity.

Communication through New Technologies

Written Communication

In written communication, we use letters outside the organization and inside the organization. We use memos, forms, manuals, and reports, which are important to the office.

Communication Technologies

With communication technologies, we have database, electronic mail, voice mail, faxes, and cell phone. With any organization you will need to use at least one of these on a day-to-day base, it is fast and easier. Technologies affect our behaviour because there is not any real face-to-face communication and no emotion is involved. It will be hard to have a relationship that has trust. When using these methods of communication we are able to say anything.

2.22 ABC Model of Attitude

An attitude is a psychological tendency that is expressed by evaluating an entity with some degree of favour or disfavour. (dictionary.com) Our attitude affects the way we behave and react towards people. The ABC model breaks down the meaning of an attitude in three different components. The components are affect, behavioural intentions, and cognitions. All of these components greatly affect our attitudes. Affect has to do with how a person feels. Behavioral intentions are how a person acts, and cognition is how a person thinks. Attitudes are formed through life lessons, the people around, and personal experience.

How Attitudes are Formed

Cognitive dissonance is the tension that is produced when there is a conflict between attitudes and behaviour. (Dictionary of the English Language) It motivates a person to change there attitude and behaviour. The experimenter pressures or offers a reward to a person to persuade them to bepart of an experiment. An example of this theory is, a professor persuades a student to be part of an experiment, and offers them twenty dollars. When the student hesitates the professor says "It will only take a few minutes. The regular person that does it, is usually reliable. This is the first time she missed the experiment. If we need you we will call you in advance, and if you can't make if we won't expect you to come." (Cognitive Dissonance) Their point is to see how much of and effect they have on a person's thoughts, opinions, and behaviour.

2.23 Job Satisfaction and Organizational Commitment

Job satisfaction is a very important aspect into the amount of work and time a person is willing to put into a job. The five measurements to insure job satisfaction are: pay, the work itself, promotion opportunities, supervision, and coworkers. Different aspects are more important to different types of people. Managers in an organization can you different methods to test job satisfaction. Two possible ways are the Job Descriptive Index (JDI) or the Minnesota Satisfaction Questionnaire (MSQ). There is a common thought that satisfied employees are more productive workers. Whether satisfied employees have better performance, or employees with good performance will have satisfaction, there has been no proven links between the two. There are plenty of high performers who are not satisfied with their jobs to prove these theories to be true. Rewards that are contingent on performance can also enhance satisfaction in a job. When a person goes above and beyond their call of duty to help a coworker out, it can be called an Organizational Citizenship Behavior (or OCB; see Bommer, Miles, and Grover 2003). "Social information processing is predicated on the notion that people form ideas based on information drawn from their immediate environment, and the behaviour of coworkers is a very salient component of an employee's environment. Therefore, observing frequent citizenship episodes with in a workgroup is likely to lead to attitudes that such OCB is normal and appropriate. Consequently, the individual is likely to replicate this 'normal' behaviour." This is according to an article in the Journal of Organizational Behavior. This shows that people learn from their environments. Culture also has a big part to play in job satisfaction. People from different parts of the world may have a different view on the importance of work compared to family. In America, people tend to have their jobs as a central part of their life, as to Koreans who put family first.

Source, Target, and Message

Organizational commitments are what will influence a person to remain at a job. There are threedifferent types of organizational commitment: affective, continuance, and normative. The affective commitment has to do with a person's loyalty to their place of work. Continuance commitment is when a person might stay at a job because they have put so much into it, and feel that they might loose a great deal of investments if they leave. A normative commitment is when an employee feels obligated to stay with the company. When an employer involves their employees in decision making, and makes them feel needed, the chances of them leaving is less than if they did not. Affective and normative commitment people tend to have a lower absence at work. Employees want to know that their employers do care about their well being, and that they share their same values. The best way to make sure that employees are satisfied and committed is to talk to them, or give them job satisfaction tests, then change things in the organization accordingly.

Instrumental and Terminal Values

There are two states of values, Instrumental and Terminal values. Instrumental values are different behaviours that are used to achieve a goal or end; Honesty, ambition, obedience, politeness and etcetera. Terminal values would be the end states attained through; ambition, quality, liberty, prosperity, social respect.

Instrumental Values

Instrumental Values are core values, permanent in nature, comprise personal characteristics and character traits.

Instrumental Values refer to preferable modes of behaviour and include values like honesty, sincerity, ambition, independence, obedience, imaginativeness, courageousness, competitiveness, and also some negative traits too.

Organisations also have Instrumental Values (which can be ascertained from the organizational culture) and these are permanent in nature and difficult to change.

For example, the instrumental values of a PSU will differ from that of an MNC though both maybe in the same business.

Instrumental Values are difficult to change.

Terminal Values

In our personal lives, Terminal Values are those things that we can work towards or we think are most important and we feel are most desirable – terminal values are desirable states of existence.

Terminal Values include things like happiness, self respect, family security, recognition, freedom, inner harmony, comfortable life, professional excellence, etc.

In a nutshell, Terminal Values signify the objectives of the life of a person – the ultimate things the person wants to achieve through his or her behaviour (the destination he wants to reach in life) whereas Instrumental Values indicate the methods an individual would like to adopt for achieving his life's aim (the path he would like to take to reach his destination).

This applies to organisations as well, and organizations too exhibit Terminal Values. However, Terminal Values can be changed and this can be seen when there is a change of top management or CEO.

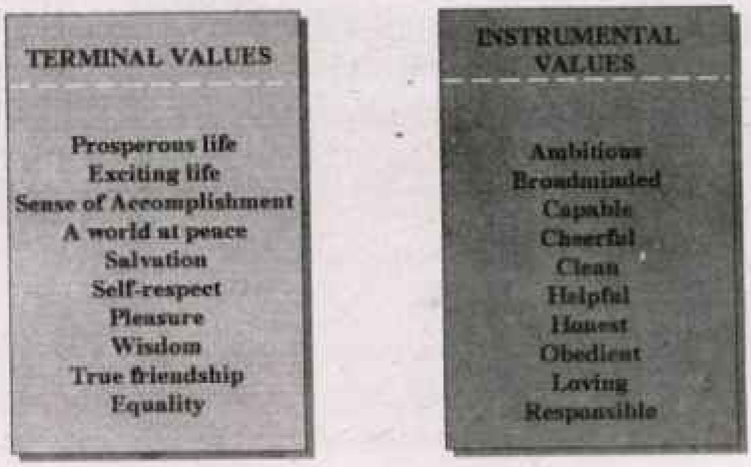

TERMINAL VALUES
Prosperous life
Exciting life
Sense of Accomplishment
A world at peace
Salvation
Self-respect
Pleasure
Wisdom
True friendship
Equality
INSTRUMENTAL VALUES
Ambitious
Broadminded
Capable
Cheerful
Clean
Helpful
Honest
Obedient
Loving
Responsible

Figure 2.1: Terminal and Instrumental Values

Our personal values are our convictions regarding what we believe is important and desirable. Each of us has a "complex of values." A values complex is the set of values that we hold and the conflict, compatibility, and hierarchical relationships among them.. Personal values come in two varieties; terminal and instrumental. Terminal values are the desired end-states that a person strongly wants to achieve such as "a comfortable life", "freedom", or "salvation." Each individual has a different set of terminal values in his or her values complex. Instrumental values are convictions about a person's desired characteristics or ways of behaving such as "ambitious", "forgiving", or "polite." We possess instrumental values because we believe that each one helps us achieve our terminal values. For instance, "ambition" may be an instrumental value that helps one progress toward the terminal value of "a comfortable life."

The first facet in Schwartz and Bilsky's (1987) definition of values classified values as representing either terminal goals (end states, phrased as nouns, e.g., obedience) or instrumental goals (modes of behaviour, phrased as adjectives, e.g., obedient). This distinction has been proposed both by philosophers (e.g. , Lovejoy, 1950; Rescher, 1969) and by psychologists (e.g., Braithwaite & Law, 1985; Feather, 1975; Rokeach, 1973), although some have doubted its validity (e.g., Dewey, 1957). Schwartz and Bilsky (1990) found distinct regions occupied almost exclusively by terminal or by instrumental values in the multidimensional value space in all seven samples they studied. This provided support for the meaningfulness of the instrumental-terminal facet for the organization of people's values.

There were, however, puzzling elements in the relevant past findings. Distinct regions emerged for the values usually phrased as terminal and instrumental, even where all the values were phrased in terminal form (Finland) and where the language (Chinese) precluded discrimination between terminal and instrumental values (Hong Kong). This suggested that something other than the terminal- instrumental distinction was producing the empirical discrimination observed. As an alternative interpretation, Schwartz and Bilsky (1990) proposed that the empirical discrimination might be an artifact of the serial order in which the values were rated. They did not explain how an order effect might produce distinct regions. One process, however, seems clear: As respondents go through the questionnaire, they may shift their subjective scale of importance as they encounter values of greater or lesser importance than those encountered previously. Consequently, shifts in scale use would reduce correlations among values located at a distance from each other because they would be likely to be rated on different subjective scales.

If the empirical distinction between terminal and instrumental values is due to shifting scale use, it should be reduced or disappear when respondents first anchor their ratings for the wholescale before rating the values. In the new survey form, as in previous research, a list of terminal values preceded a list of instrumental values. Here, however, an anchoring technique was introduced prior to rating each list in order to minimize shifts in scale use. If distinct terminal and instrumental regions emerge in the multidimensional value space, despite the probable reduction in scale use shifts, the conceptual significance of this facet will be reinforced. If, however, distinct regions do not emerge, further doubt will be shed on the significance of this facet for the organization of people's values.

Managing in Globalization

Just as there are different countries throughout the world, there are many different value systems. In today's world, globalization is taking a bigger and bigger role, making it very important for these different groups to recognize and thoughtfully respect those values of their customers or associates even though they do not have the same values. Managers must learn that when working with these adverse values in their company, to avoid prejudging the adverse values that they come into contact with throughout the course of their work. Values are culturally based. In a global society, tolerance is one of the most important aspects. When tolerance is not thoughtfully recognized it has the potential to divide societies from one another.

Ethical Behavior

First, ethics is the concept of having moral values and behaviours. Ethical behaviour is conducting ones self in a way that is common with a certain set of values whether personal or institutional. Businesses are dependent on their reputations, so when a company withholds strong ethical values it brings positive results. One effect of ethical behaviour is the retention and attraction of employees. Employee turnover tends to be lower as well as an increase in applicants resulting in higher qualified employees. Unethical behaviour can hurt a company, so through technology businesses are able to monitor Internet content.

In a business, there are individual and organizational influences that affect ethical behaviour. The individual influences are value systems, which is a persons own set of moral values, locus control, which is a personality trait distinguishable between personal responsibility and fate or by chance, Machiavellianism, which is another personality trait where a person will do whatever it takes to get their way, and finally, cognitive moral development, which is a person stage of maturity. The organizational influences are a businesses own code of conduct, an ethics committee or officers, training programs, an ethics communication system, norms amongst the business, modelling, and a rewards and punishment system.

The individual influences of a company are extremely important for running a business with ethical behaviour. Value systems are vital because ones ethics may be different from that of the company. This could be a serious conflict of interest. For example is a dishonest person is presented with a situation to lie for financial reasons will he follow his own ethical behaviour or the organizations? The individual might think why be honest if honesty doesn't pay? (A. Bhide & H. H. Stevens, 121) External locus of control where a individual believes that their actions area result of an unknown force or chance can be damaging to ethical behaviour because the individual doesn't accept responsibility like internal locus control. Machiavellianism is not a standard of ethical behaviour because the main method is being able to manipulate others around you for your own benefit rather than the organization. Cognitive moral development affects ethical behaviour amongst an organization depending on the level an individual is at. Level 1 or premoral level, the individual bases their judgments on rewards and punishments. Level 2 is where the individual follows policy only if it is in their best interests. Level 3, people just perform to impress those close to them. Level 4 is where the individual starts to realize what the organization wants from them so they start to contribute in an all around positive way. Level 5, people are aware that others have different ways of thinking but hold onto their own. Finally, level 6, an individual will choose their own ethical behaviour over a policy or law.

2.24 What is Stress?

Stress does not have an exact meaning. There are many different ways to look at it. Stress or the response to stress is defined as, "the unconscious preparation to the flight or fight that a person experiences when faced with any demand" (Peterson 1995). The demand on your body is known as the stressor. Once the stressor is applied there are many reactions, psychologically, physically, behaviourally, and organizationally.

The Four Approaches to Stress

- Homeostatic (also known as the medical approach) was researched by Walter B. Cannon. He determined that our bodies have an emergency response, the flight or fight. He found that when aroused, the body goes out of homeostasis, the balanced state.

- Cognitive Richard Lazarus emphasized that stress was caused by the environment that the person is in rather than the body itself. He found that people differ greatly in that respect.
- Person Environment Fit approach-Robert Kahn focused on how expectations in a person's life and their conflicting roles. The person becomes stressed when they aren't able to meet the demands.
- Psychoanalytic Harry Levinson took that Freudian approach. He believed that there were two parts being:
  1. Ego-ideal, how they feel about their perfect self.
  2. Self image, how they feel about themselves in respect to their perfect self. If there is any wrong thinking then there is stress because they feel that they cannot obtain that.

CASE STUDY: Resentment of Local Villagers to preserve their Interest and Government's Drive towards Development of that Area by Opening an Engineering College

Conflict

It is common to hear of conflicts arising out of rural population getting displaced for development projects. They often charge governments of taking over their lands at prices considerably lower then the market price. Though sometimes it is also true that for any future project Government acquires land and the project may take years to take off.

Meanwhile landowners, in most cases the poor farmers, continue to use their sold land as Notes before and being unable to utilize money properly end up in this intervening period getting dependent on the produce from this land which was sold to Government. When the project does start these poor villagers find it as a direct attack on their livelihood. This results into a conflict of interests and for survival as far as villagers are concerned.

This case refers to one such event. In the state of Uttar Pradesh, in Kumaon Hills (present day Uttrakhand), Government decided to set up an engineering college. The land had been procured in 1982 for this project from local villagers. But since construction activity did not start immediately, the villagers continued their farming activities and utilisation of this land. In year 1985, the foundation stone was laid with great pomp and show. The poor farmers did not understand much as to what will come up there and how would it benefit them in future but yes, they were made to feel proud of the achievement for the region.

As time passed by, they continued with their routine existence. Soon, in 1988, the construction work started. This gave employment to many villagers as daily wagers.

They so far liked the project as it supplemented their incomes. The construction work of first phase was complete by 1990. This was followed by recruitment of staff and establishment of facilities so as to take in students and start courses.

In academic year of 1991, first batch of students was inducted. As they arrived, villagers noticed there were few from hill region from Kumaon but majority came from plains/ mainland. These villagers had never had the experience of interacting or seeing so many plainwallahs (people from mainland). These students belonged to different districts within UP; most were from big cities, so it was a foreign cultural setting for them. Similarly, villagers found them not conforming to their cultural setting. Local politicians, eager to encash this dislike and the loss of the livelihood brought about to farmers by opening of this college, instigated farmers. Thus, started a series of frequent demonstrations. Its timing was perfectly matched with hill peoples' demand for separate state. It made task of education difficult at this new engineering college and administration found itself in a fix. At the time when need of the hour was to focus on evolving and establishing academic set up all attention got diverted into sustaining daily activities. For six-months, State Government's Technical Education Directorate shifted all students to another state run Engineering College at Lucknow. Meanwhile, some settlement of dispute had to be done.

Negotiation

The case of Engineering College, being threatened for survival by local population soon after inception, has following options to consider before administration engages in negotiation with local people:

1. To employ a certain percentage of suitable people from the families of those displaced.
2. To have such programmes at College which help local population directly, thus establishing a bond of mutual benefit.
3. To increase the quota of hill students being admitted for the college. Thus, student community would get the flavour of local representation.
4. To provide adequate security personnel on permanent basis to the engineering college.
5. A clear warning to local leaders informing them of legality of case where farmers have no right on this land once having sold it willingly.
6. To propose partnerships encouragements to local businessmen to provide for the requirements of students, may be, by providing them shops inside college campus.
7. To obtain a firm commitment from gram panchayat that no villager will create hurdles in functioning of college. This must include Block Pramukh besides Sarpanchs of neighbouring villages.

8. To create a permanent boundary wall around campus to limit the approach points the complex. Although this would be resented by locals again as their often frequented paths may not be available once wall is made.

The negotiation started with local leaders demanding total shutdown of college. They expressed their reservation for such large number of youngsters from mainland region staying permanently on their land. They wanted government to give them the price for their land as per existing rates now as they feel having been cheated. They proposed they will agree on nothing less then compensation for their land and employment guarantee of at least one family member of those whose lands have been acquired.

Government representatives started with explaining the positives aspects of having such an institute in their region and indirect spin-offs to the local merchants. They also categorically said there can be no renegotiation on the issue of land prices. Further, a warning was issued that Government is within its rights to punish those who disrupt functioning of college.

While entering into next phase of negotiation, Government representatives proposed ten per cent reservation to those of local who are qualified enough to be absorbed in college staff and government said this college will have forty per cent students belonging from hill region.

The final settlement reached after several rounds of negotiation included following points:

1. The local representatives agreed to allow this college to run and ten per cent reservation in middle level employees and fifty per cent reservation lower level employees in staff of college from local population with preference to those whose lands have been acquired.
2. The Government representatives bargained for complete fencing of college boundary while at the same time college watercourse was to provide service of providing water to local population as there happens to be severe shortage of drinking water in the region.
3. Five shops in the college campus shall be provided to local merchants.
4. The responsibility no demonstrations by locals was taken by Sarpanch and Block Pramukh. This negotiated settlement has been in place ever since and the engineering college has finally established itself. As local population realised benefits in changed scenario, they value it more and are now happy to have reached settlement to their advantage.

Question:

Discuss the case fact.

Notes

2.25 The Stress Response

What happens to the body when it is stressed? These are the steps that your nervous system goes through and how your body and mind are involved.

Notes

1. Blood from the skin, internal organs, and extremities, is directed to the brain and large muscles.
2. Your senses are heightened: vision and hearing.
3. Glucose and fatty acids are forced into the bloodstream for energy.
4. The immunes system and digestive system are virtually shut down to provide all the necessary energy to respond.

Work Stress

Work stress is caused by demands and pressure from inside and outside the workplace.

Four Categories of Work Demands

1. **Task Demands:** The sense of not knowing where the job will lead you and if the activities and tasks will change. The uncertainty will cause stress: lack of control, concern of career progress, new technology, time pressures, are just some of the many that could causestress.
2. **Role demands:** Role conflict happens when there are inconsistent or difficult expectations put on the person resulting in:
    (a) Interrole conflict–when there are two or more expectations or separate roles: parent and employee.
    (b) Intrarole conflict–more expectations of one role: fast paced and quality work.
    (c) Person-role conflict–ethics are involved: challenging personal beliefs or principles.

   Role ambiguity occurs when a person is confused about their experiences in relation with the expectations of others.
3. **Interpersonal Demands:**
    (a) Emotional issues–abrasive personalities, offensive co-workers.
    (b) Sexual Harassment–directed mostly toward women
    (c) Poor Leadership–management, lack of experience, poor style, cannot deal with all the power
4. **Physical Demands:** Many environments offer physically demanding jobs and work.
    (a) Strenuous activity
    (b) Extreme working conditions
    (c) Travel
    (d) Hazardous materials
    (e) Working in an office-tight quarters, loud, cramped

2.26 Non-work Demands

Creates stress for work and the other way around creating stress outside of work.

Home Demands Marriage children and other family relationships can add stress and overload making it a role overload according to the Academy of Management Journal they state that when this happens this is, "an individual's lack of personal resources needed to fulfill commitments obligations or requirements."

Notes

Personal Demands They are demand brought on by the person themselves. When the person takes on too much outside of work or just brings on too much work.

2.27 Stress-strain Relationships

Individual Differences in the Stress-Strain Relationships

Individual differences play an important role in the stress-strain relationships. Different individuals respond differently to types of stress, there are both eusiress (good stress) and distress (bad stress).

Gender Differences

Life expectancy for American women is approximately seven years longer than men, which suggests that women may be more resilient to stress than men. Research (House, Landis, and Umberson 1988) has led to the suggestion that women not only respond to stress in a completely different way than men, they also encounter more stress - and are able to deal with it better.

Type A Behaviour Pattern

Type A behaviour are characteristics of personalities who are more affected by the stress-strain relationships than other personality types. Type A behaviour includes; sense of urgency, quest for numbers, status insecurity, and aggression and hostility.

Personality Hardiness

Personality Hardiness is a personality trait that is hesitant to distress and characterized by commitment, control, and challenge. They are more capable to resist stressful events as opposed to those who are not hardy. Transformational Coping is an act used by hardy people that helps to change unhealthy stressful events, into ones that are less harmful to their life.

Self-Reliance

Self-reliance is a personality attribute that is an interdependent pattern of behaviour related to how people form and maintain attachments with others. Two insecure patterns of attachment are counter dependence, and over dependence. Both of these patterns of attachment are unhealthy, and impair creating healthy relationships with others. Through self-reliance, individuals are able to gain understanding with themselves, which helps them in their relation to their coworkers.

2.28 Consequences of Stress

Stress to the average person is usually looked at in a negative light. However, all stress is not bad stress. There are two very different forms of stress; distress and eustress. Some people thrive under pressure. That's because they have figured out how to condition themselves for "stressful"situations. This conditioning requires recovering energy. When one practices what they know frequently, they most often perform well on a "stress test". Distress and eustress are the consequences of how one responds to and uses the stress that is applied to them. There are benefits to eustress and there are costs to distress. A healthy person would exude eustress. The opposite would be true of an unhealthy person. (Loehr and T. Schwartz 2001)

Performance and Health Benefits

A person's overall performance with a any given task will have an optimum. A point where the individual is most productive while still performing at a comfortable level. In order to attaint his optimum performance a certain level of stress must be applied. Any amount of stress level leading up to the optimum point would be eustress. Stress that would cause the person to overload and their productivity to drop would be distress. If a person is training their body by lifting weights, they can only grow their muscles so fast before they reach their growing limit. Once past that limit, an injury is bound to take place.

Individual Distress

Individual distress manifests in three basic forms known as Psychological disorders, Medical illnesses, and Behavioral problems. A person's extreme involvement with their work could reap an acute individual distress. Work-related psychological disorders can lead to depression, burnout, and psychosomatic disorders. Psychosomatic disorders are physical problems that stem from a psychological root. A person could have a problem with public speaking; that problem would then be caused by so much stress that the persons brain would not allow the person to even speak. An individual's stress can manifest itself in other more physical manners. Back aches, strokes, heart disease, and peptic ulcers are just a few ways that surface when too much stress is applied. A person can also show behavioural problems as a sign of distress. Some examples include aggression, substance abuse, and accidents. This behaviour could be cause by conflicts with others or with work. It could also be brought on by variables outside of the workplace. Psychological disorders, medical illnesses, and behavioural problems are extremely burdensome to the individual. And when not taken care of will result in organizational distress.

There are three types of influence, upward referring to a boss, downward referring to an employee and lateral influence which refers to a coworker. Also, there are eight basic types of influence tactics. The four most frequently used are consultation, rational persuasion, inspirational appeals, and ingratiation. Consultation, the person seeks your participation in making a decision or planning how to implement a proposed policy, strategy, or change. Rational persuasion, the person uses logical arguments and factual evidence to persuade you that a proposal or requests is viable and likely to result in attainment of task objectives. Inspirational appeals, the person makes an emotional request for proposal that arouses enthusiasm by appealing to your values and ideas or by increasing your confidence that you can do it. Ingratiation, the person seeks to eat you with a good mood or to think favourably of him or her before asked you to do something.

2.29 Organizational Distress

Participation problems, Performance decrements, and compensation awards all have the ability to have very opposite affects upon an organization. Participation problems such as absenteeism, tardiness, strikes and work stoppages, and turnover bring serious costs to a company. Turnover, for example, can help or costs a company in a big way. An employee is not performing up to par. As a result he is fired and replaced with a more productive employee. Unfortunately, the new employee was hired on at a higher pay rate than the previous. The company has the productivity it needs, but at a cost.

2.30 Motivation

Expectancy Theory of Motivation

The basis of the expectancy theory of motivation is that people desire certain outcomes of behaviour and performance, and that they believe there are relationships between the effort, performance and outcomes. The key points in the expectancy theory of motivation are the valence which is the value or importance someone places on a reward. The expectancy which is the belief that effort leads to performance and instrumentality which is the belief that performance is related to rewards. These are all important to a person's motivation. Motivation problems came from the expectancy theory. The causes are a disbelief in a relationship between effort and performance, a disbelief in a relationship between performance and rewards and an overall lack of desire for the offered rewards. If a problem is with the person's effort or performance, the persons belief should be changed. If the problem is with the reward, then the value of the reward or the reward itself should be changed. "The Expectancy theory has held a major position in the study of work motivation." (Van Eerde)

Notes

Theory Social Exchange and Equity

This takes a look at what is behind our behaviour, why are we motivated and why do we act the way we act. When studying behaviour, it is important to study exchange. There are three types of exchange relationships that people have with organizations.

The first type is a committed relationship, such as a club or a religious gathering. It is a relationship held together by moral obligation. A committed relationship is a high positive intensity. The second type of relationship, calculated, is a low positive intensify. These are relationships based on demands and contributions. A prime example would be business corporations who have a relationship based on their commercial and financial agreements. Each organization in this type of relationships makes demands. Demands are placed on the other organization in order to achieve an desired result. However, in most cases, a demanding organization must also contribute, therefore intertwining the responsibilities, thus making it a team effort. Finally, the third type of relationship, alienated, is of high negative intensity.

Within these relationships is inequity. Inequity is roughly defined as a situation when a person thinks that they are receiving less than they are giving or vise versa. According to Adams' theory of Inequity, there are seven approaches to restore equity. (1) alter the person's outcomes, (2) alter the person's inputs, (3) alter the comparison other's outcomes, (4) alter the comparison other's inputs, (5) change who is used as a comparison other, (6) rationalize the inequity, and (7) leave the organizational situation.

There are three types of people when categorizing them into their preferences for equity. Equity sensitive people prefer an equity ratio equal to their own comparison other. A benevolent person is content when the equity ration that is less than that of their comparison other. Lastly, an entitled person is content with a ration that is more than that of their comparison other.

Meaning and Definition of Motivation

The term 'motivation' has its origin in the Latin word "mover" which means to "move". Thus, motivation stands for movement. One can get a donkey to move by using a "carrot or a stick", with people one can use incentives, or threats or reprimands. However, these only have a limited effect. These work for a while and then need to be repeated, increased or reinforced to secure further movement. The term motivation may be defined as "the managerial function of ascertaining the motives of subordinates and helping them to realize those motives".

According to Dubin motivation could be defined as "the complex of forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action, and continues him in the course of action already initiated". Motivation refers to the way a person is enthused at work to intensify his/her desire and willingness to use and channelize his/her energy for the achievement of organisational objectives. It is something that moves a person into action wand continue him in the course of action enthusiastically. The role of motivation is to develop and intensify the desire in every member of the organisation to work effectively and efficiently in his position.

In the words of Dalton E. McFarland, motivation is the way in which urges, desires, aspiration, striving or needs direct, control or explain the behaviour of human being". Motivation has very close relationship with the behaviour. It explains how and way the human behaviour is caused. According to McFarland motivation is a form of tension occurring within individual, with resulting behaviour aimed at reducing, eliminating or diverting the tension. Understanding the needs and drives and their resulting tensions helps to explain and predict human behaviour ultimately providing a sound basis for managerial decision and action." Thus, motivation is the term, which applies to the entire class of urges, drives, desires, needs and similar forces.

Concept of Motivation

The word motivation is common in everyday language, but is not easy to define rigorously in a scientific context. The concept of motivation is related to, but distinct from other concepts, such as instincts, drives, and reflexes. Motivated behaviour is usually goal oriented; the goal may be associated with a drive such as hunger or thirst (called primary motivation). However, motivation is also closely tied to sensory stimuli: an animal will not usually exhibit eating behaviour unless food is presented. Unlike instinctive behaviour, Motivation depends on affect (emotional state). Finally, motivation can be learned (in which case it is called secondary motivation) and typically elicits more complex behaviours than simple reflexes.

An animal is always performing some activity, even when that activity is sleep. At any given time the environment offers the opportunity to carry out many different behaviours. Such as exploratory or consummator behaviours, but an animal typically carries out a single voluntary activity at a time. The study of motivation is concerned with which activity the animal performs in a given environment, and how the animal maintains a given activity or changes between different activities, as a function of environmental events and internal needs.

Motivation is typically studied using two approaches: psychological studies manipulate environmental events and monitor the resulting patterns of motivated behaviour; physiological studies are aimed at clarifying the neural or endocrine origin of motivation. Psychological studies might examine, for instance, how an animal is able to maintain a constant goal-oriented activity as the surrounding stimuli change, or how an animal is able to spontaneously switch between behaviours as its needs change. Physiological studies attempt to identify physiological variables and neural regions that are related to motivated behaviour.

Motivation – Basic concepts and Theories

According to Arnold, there are three components of motivation:

1. **Direction:** what a person is trying to do?

2. **Effort:** how hard a person is trying?
3. **Persistence:** how long a person keeps on trying?

Furthermore, literature distinguishes two types of factors that influence motivation:

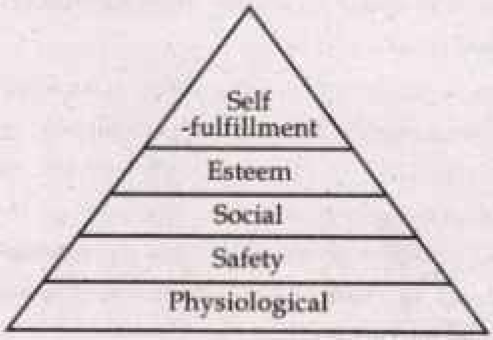
(i) ***Intrinsic:*** self generated factors (responsibility, freedom to act, scope to use and develop skills and abilities, interesting and challenging work, opportunities for advancement) – they have a deeper and longer-term effect

(ii) **Extrinsic:** what is done for people to motivate them (rewards, promotion, punishment) – they have an immediate and powerful effect, but won't necessarily last long

Most influential is the Needs (content) Theory

1. The underlying concept is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore balance, a goal is identified that will satisfy the need and a behaviour pathway to this goal is selected.
2. All behaviour is motivated by unsatisfied needs.
3. People will be better motivated if their work experience satisfies their needs and wants.

Maslow's Hierarchy of Needs



1. If a lower need is satisfied, the next higher one becomes dominant.
2. Higher-order needs provide greatest motivation.
3. Different people may have different priorities

Alderfer's ERG Theory

1. About subjective states of satisfaction and desire
2. Three primary categories of human needs:
    - (a) **Existence needs** – need for material and energy exchange
    - (b) **Relatedness needs** – transactions with human environment, process of sharing or mutuality
    - (c) **Growth needs** – people make creative or productive efforts for themselves

Notes

McClelland's needs

1. Based mainly on studies of managers
2. Three most important needs:
    (a) **Achievement** – need for competitive success measured against a personal standard of excellence
    (b) **Affiliation** – need for warm, friendly relationships with others
    (c) **Power** – need to control and influence others

Herzberg's Two-factor Model

1. **Motivators:** factors that really motivate people,
2. **Hygiene factors:** dissatisfiers; their absence would demotivate people, but their presence not necessarily improves motivation; essentially describe the environment, little effect on positive job attitudes.

Process Cognitive Theory

1. Emphasis on psychological processes that effect motivation and on basic needs.
2. Concerned with peoples perceptions and the way they interpret and understand it.
3. People will be highly motivated if they can control the means to attain their goals.

Expectancy Theory

1. By Vroom
2. Value, instrumentality (belief that if we do one thing it will lead to another), expectancy(probability that action or effort will lead to an outcome)
3. Strength of expectations may be based on past experiences
4. Motivation is only likely when a clearly perceived relationship exists between performance and an outcome that is seen as a means of satisfying needs
5. Porter and Lawler: Two factors determining the effort people put into their jobs:
    (a) Value of rewards to individuals in so far as they satisfy their needs
    (b) Probability that rewards depend on effort, as perceived by individuals, their expectation about relationships between effort and reward
6. Two additional variables:
    (a) Ability – individual characteristics and skills
    (b) Role perceptions – what he wants to do or thinks he is required to do, good if they correspond with the viewpoint of the organisation.

Goal Theory

1. Latham and Locke
2. Motivation and performance are higher when individuals are set specific goals

3. Goals have to be difficult but accepted
4. Feedback on performance
5. Participation in goal setting is important – goals need to be agreed
6. As long as they are accepted – demanding goals lead to better performance than easy goals

Reactance Theory

1. Brehm
2. Individuals are not passive receivers but responders
3. They seek to reduce uncertainty by seeking control about factors influencing rewards

Equity Theory

1. Adams
2. Perceptions people have about how they are being treated as compared with others
3. Involves feelings and perceptions, is always a comparative process
4. People will work better if they are treated equitably
5. Two forms of equity:
    (a) *Distributive:* fairness people feel they are rewarded in accordance with their contribution and in comparison with others
    (b) *Procedural:* perceptions of employees about fairness of company procedures
6. We hope/expect that the inputs we give into our job equal the outputs we get.

2.31 McClelland's Need Theory

McClelland was intrigued by the thought of human needs and the reasons why one is successful. Before him though, Henry Murray had laid out most of the groundwork and made lists of motives and manifest needs. (H.A. Murray, 1938). McClelland took those ideas and organized them into three main categories of learned human behaviour, which were called the manifest needs. The three main needs are the need for achievement, the need for power, and the need for affiliation. Each need is different for each person and varies throughout individuals. Sometimes it's for the better and sometimes for the worse.

The need for achievement is important in the fact that those with a higher need for it will ultimately become more successful. People with this high need are very concerned with doing their best work and setting goals to help them get there. If one does not have a high need for achievement, there is usually a lack in motivation which can be detrimental not only in the workplace, but also in ones' personal life as well.

Next is the need for power. McClelland makes a very important distinction between socialized power and personalized power. Socialized power is normally benefiting to a group of people, benefiting to others, while personalized power is selfish and can be very destructive and self consuming. With that in mind socialized power can be very helpful in the business area, specifically with managers. When a manager craves socialized power he is looking out for the benefit of the company and wants everything to be done correctly and quickly and in turn success is achieved. These type of managers themselves are also more likely to be promoted when a higher up member of the organization sees the hard work and influence the manager has made on employees.

Last is the need for affiliation. The need for affiliation mostly deals with interpersonal relationships. People with a high need for it expect a more personalized relationship with everyone; such as people sharing their wants needs and feelings while the person will do the same. This high need can be good in relationships, for example, if there is some type of conflict between a person with a high need and another, than the person with the high need if more inclined to work through the problem until it is solved and everything is good in the relationship. "Managers frequently commented that consistent definitions and formats are important aids to communication, especially between people in different organizational units such as divisions or departments." (McClelland)

2.32 Herzberg's Two-factor Theory

Frederick Herzberg conducted a study that describes the experiences that satisfy and dissatisfy people in the work place. He wanted to know what motivates people to do well at work. The two-factors that he found in this study were motivation and hygiene.

He found motivation factors to be things like achievement, responsibility, advancement and growth. He also described the hygiene factors to be things such as working conditions, status, technical supervision, policy and administration. The one thing that he did find in common with the two factors was salary, which makes perfect sense. With the two-factors combined in the work place it results in four different types of behaviour. When both factors are high there is nothing to complain about and the motivation is very good. When both factors are low the person becomes very unmotivated and complains about everything. The two-factors are not always on the high or low at the same time. So, even if the motivation is high, there may still be a lot of complaining going on and vice versa (Herzberg).

2.33 The Concept of Power

Symbols of Power

When thinking about power one doesn't think about what represents power but, in every organization there are certain symbols of power. Bellow is some ideas of power and powerless symbols. Also, if someone that wants to over coming powerlessness the person that has power needs to share the power. The meaning of symbols, include an object or image that an individual unconsciously uses to represent repressed thoughts, feelings, or impulses. Power means, possession of control or command over others. There are two different approaches associated with symbols of power.

George Bush has power; what that means is that he can call us at anytime of the day and we will answer. Along with if he wants to meet us and we have a very important engagement we will drop it and see him. The power symbols are all there too.

Power

- A person that helps someone else in distress has power
- Giving someone a better procession in the organization constitutes a sign of power
- A person that can go greater than budget limitations without warning
- A manager acquires raises beyond standards for employee's
- Raise issues for action
- Having information before anyone
- Top manager asking questions to lower level managers, hence The lower manager has power
- In doing something for someone else, one receives power

Powerless

- Excessively close administration
- Firm loyalty to regulations
- Doing a job themselves and not training an employee to do it
- People that have high profile positions
- Opposes change
- Safeguard their territory
- Focuses on cutting cost
- Penalizing others
- Overbearing others
- Better than communication
- Negative events result in accusations against others

"Making external attribution of negative events, though often considered "self-serving", also implies that the at tributor is not in control of critical resource. We hypothesized that making external attributions for negative events will lead to impressions of powerlessness." (Lee and Tiedens 2001)

Three Symbols of Power

Michael Korda has ideas of what power looks like; he writes about three of them. Objects in organizations such as furniture, clocks, watches, cell phones, and pagers are all symbols of power.

The proposal that he give on "Furniture" is that a manager that has filing cabinets that are locked, confirm a critical and restricted files in the office. Conference tables that are rectangular demonstrate that the most important person sits at the head of the table, instead of a round table. Also, desk size displays the quantity of ones power; most executives have large expensive desks.

The second approach, he calls it "Time power" what this suggest is that if an executive and or manager that removes their watch and puts it on your desk face down illustrates that he or she has their time. As well as managers that do not wear watches shows that no one will start anything with out them. If we look at this the other way by, a manager always wears a watch shows that they feel less powerful. Also, a full calendar is proof of power, along with a planner displayed on the desks.

The third approach is call "Standing by," what Korda proposes is that cell phones, and pagers, along with other communicating devises, explains that if a high top person can inflict on your time at any time of the day has power. In addition people that cause inconvenience to others; such as doing simple tasks for them.

Sharing Power: Empowerment

Empowerment is a positive aspect within an organization that promotes shared power. In order to grasp the complete essence of empowerment, there are four separate necessities that must bemet.

- Meaning suggests that one must have a sense of passion put into their work in order to feel empowered.
- Competence is a component in the work place that keeps an employee confident with the ability to do a job well done.
- Self-determination gives employees a certain trustworthiness to handle the job independently.
- Impact is a contributing factor that enables the workers to believe that their job has a meaningful purpose. Without these four dimensions present, one cannot feel empowered.

Leaders within an organization can play a strong role in encouraging employees to put empowerment into practice. If leaders want to examine the possibility of an empowerment based company they need to have confidence in employees. This action should take place in order to set the bar at a high enough level. Employees should also be given the opportunities to make decisions. Rules and policies that get in the way of self-management need to become more lenient for a successful empowerment based organization. As well, leaders must set goals that can make one feel inspired.

One particular example of an empowered company is run by David Zipper and Peter Murray. Their organization began as a small painting business in run down areas

Notes

of Philadelphia started by the two former economics students in 1999. The idea of the company is to empower its employees to the point where they own the company themselves. Since the renowned success of Empowered Painters, Peter Murray was awarded the Eli Segal Entrepreneurship award, and David Zipper received the Truman Scholarship. (Natsu, Furuichi, 2000)

Though the idea of empowerment can produce very successful results, the risks involved can be devastating. It is always safe to keep in mind, when giving up responsibility, there is a very real possibility of failure.

2.34 Political Behavior Leadership in Organizations

Political behaviour and organizations doesn't always have to be negative. However, most the time it is looked upon as such. It has been said that organizations are arenas in which people have competing interest. It is the manager's responsibility to be effective in reconcile competing interest. Political behaviour refers to actions not officially sanctioned by an organization that are taken to influence others in order to meet one person's goals.

Many people at the organizations are able to recognize and spot political behaviour by their supervisor and at the top level of organizations. Many organizations encourage political activitythese include unclear goals, autocratic decision making, ambiguous lines of authority, scarce resources, and uncertainty. Activity is often involved politics which includes performance appraisal process. Individuals who use power and organizations are organizational politicians. Political behaviours can way on the negative side when used to maximize self interest which can lead to being inattentive to the concerns of others. We the employees feeling as if the workplace are less helpful and more threatening.

Several personal characteristics of effect of political actors; here are four of thirteen.

- Articulate, must be able to clearly communicate ideas
- Popular, must be liked or admired by others at organization
- Extroverted, must be interested in what happens outside of his or her.
- Logical, must be capable of recently

Political organizational politicians can see the difference between ethical and unethical behaviour. They understand that relationships drive the political process and use power with a sense of responsibility.

Influence Tactics

There are three types of influence, upward referring to a boss, downward referring to an employee and lateral influence which refers to a coworker. Also, there are eight basic types of influence tactics. The four most frequently used are consultation, rational persuasion, inspirational appeals, and ingratiation. Consultation, the person seeks your participation in making a decision or planning how to implement a proposed policy, strategy, or change. Rational persuasion, the person uses logical arguments and factual evidence to persuade you that a proposal or requests is viable and likely to result in attainment of task objectives. Inspirational appeals, the person makes an emotional request for proposal that arouses enthusiasm by appealing to your values and ideas or by increasing your confidence that you can do it. Ingratiation, the person seeks to eat you with a good mood or to think favourably of him or her before asked you to do something.

There's proven evidence that men and women view politics that influence attempt differently. The intended geopolitics behaviour were federally that women do with both men and women witnessed political behaviour they view it more positively if the agent is of their gender and the target is of the opposite gender. Not all tactics have negative affects there are some positivist be found. One example would be how small retailers often have incentive programs read get points for an amount of certain items you sell during that time. The person who sells the most usually wins a small gift or some type of bonus. "For example, research has shown that various aspects of performance-appraisal process itself can influence the mood states of the raters, and in turn, their ratings of employee." (Hochwater)

Effective Power

There is a fine line between using power effectively, over using the power, and being dependent upon power within an organization. A manager must maintain positive relationships with everyone involved with the given company yet cannot become dependent on them; superiors, subordinate, peers, outside suppliers, customer competitors, unions, regulating agencies, the list goes on. Being overly dependent can create vulnerabilities, and weaknesses, causing the organization to not run as smooth, or worse. The entire above list has their own agenda and their own behaviours which it is the managers job to be able to adapt to them, which may in fact be the cause for dependency on people on that list. Dependency should not be associated as a negative term; dependency simply needs to be in moderation. Managers should make sure all involved subordinates know exactly their roles, so he or she need not use generally ineffective tactics such as persuasion. Successful managers are sensitive cope with dependence by being sensitive to, avoiding unnecessary dependence, and establishing power. That power thus equals plans, organization, good staff, budgets, etc., which good evaluations. Effective management essentially comes down to the manager feeling a sense of obligation which trickles all around the company, and there should be a defined trust in the expertise of the manager, that his decisions are the correct ones.

2.35 Principles of Persuasion

The six principles of persuasion are as follows:

1. **Reciprocity:**
   (a) Humans are programmed to reciprocate when we are given something. The act of receiving from someone else in stills in us the need to repay that favour

(however small). There are evolutionary reasons for this (i.e. it supports cooperation).

(b) Reciprocation "pressures the recipient of an already-made concession to respond in kind".

2. **Commitment and Consistency:**

   (a) Human beings innately want to be seen as consistent. Inconsistency in a human being is considered a fault, and is associated with a host of other negative qualities (e.g. untrustworthiness, instability). As a result, when people commit to an act, belief, attitude, etc., they wish to maintain that stance, in order to be viewed as consistent.

   (b) Importantly, commitment will only be felt if the recipient of our request accepts "inner responsibility for the actions we want them to take". In other words, if people feel forced to take an action, they will not "own" that decision, and will not feel sustained commitment.

   Several tactics can be used to obtain commitment:

   (i) **Foot-in-the-door technique:** Start with a small request "in order to gain eventual compliance with related larger requests". Getting people to make small changes to their behaviour will not only put them on a track to larger requests because they want to be seen as consistent, it will do so also because a change in a person's behaviour also changes their self-image.

   (ii) **Written commitment:** A written commitment is effective because of the physical act of writing something down.

   (iii) **Public commitment:** When a person makes a commitment to others, they will want to keep that commitment to ensure that they are viewed as "consistent" by others.

3. **Social Proof:**

   (a) This principle states that we learn what is correct by finding out what other people think is correct. This can be done through asking, or observing the behaviour of others.

   Conditions under which social proof can most strongly affect behaviour include:

   (i) Situations of extreme uncertainty (i.e. when a person has no idea what is going on)

   (ii) Similarity: Social proof works very powerfully in influencing behaviour when we are "observing the behaviour of people just like us".

4. **Liking:** Put simply, we're more inclined to respond to a request if we like the person making the request.

Notes

Several factors contribute to a person's likability:

(a) ***Physical attractiveness:*** People who are physically attractive also enjoy the "halo effect", in which people think that because they're attractive, they are also more intelligent, kind, etc.

(b) ***Similarity:*** We like people who are similar to ourselves (in dress, age, expressed background and interests, etc.)

(c) ***Familiarity:*** We like things that are familiar to us.

(d) ***Cooperation:*** When someone works with you to achieve a shared goal, you like them more.

(e) ***Compliments:*** People who give compliments are more liked.

(f) ***Association:*** People who are associated with good/positive people, events, etc. are more likely to be liked (e.g. it's the "don't kill the messenger" phenomenon. A weatherman can be disliked simply because he predicts bad weather).

(g) ***Appearance of Truthfulness:*** A real-life example of this is when bloggers will reviewa product by first mentioning its faults. They then talk up the benefits of the product (which they claim outweigh the product's negatives), and end with an endorsement.

(h) ***Primary Interest:*** This is when someone seems to be arguing against their own best interests in favour of yours (i.e. they're "on your side").

5. **Authority:**

(a) Human beings have a "deep-seated sense of duty to authority".

(b) Even the appearance of authority is enough to obtain compliance (e.g. an actor wearing a doctor's lab coat on a commercial)

Symbols that can trigger compliance in the absence of real authority:

(a) Titles

(b) Clothes

6. **Scarcity:**

(a) The psychological underpinning of this principle is that "opportunities seem more valuable to us when their availability is limited".

(b) Related to this, people are more motivated to avoid losing something, than to potentially gain something of equal value. (This ties in with Kahneman's prospect theory.)

(c) When our desire for something scarce grows, we make sense of the desire by assigning it "positive qualities to justify the desire".

Specific forms of scarcity:

(i) Limited number

(ii) Limited time (i.e. deadline)

(iii) Competition. Competition increases desire for something (e.g. to goad indecisive buyers, realtors will "invent" another potential buyer)

(d) An additional psychological principle is the contrast principle. Contrast affects the way we see things "that are presented one after another. Simply put, if the second item is fairly different from the first, we will tend to see it as more different than it actually is". Cialdini gives the example of speaking with a beautiful woman at acocktail party, then speaking with an unattractive one. Because she came second, that woman will seem even more unattractive than if she had been spoken with first.

2.36 Third Party Intervention

The terms "third party" and "intermediary" are both used to refer to a person or team of people who become involved in a conflict to help the disputing parties manage or resolve it. Third parties might act as consultants, helping one side or both sides analyze the conflict and plan an effective response. Alternatively, they might act as facilitators, arranging meetings, setting agendas, and guiding productive discussions. Facilitators will also usually record what was said, and may write up a short report summarizing the discussions and any agreements that were reached.

A more active and powerful third party role is that of mediator. Mediators not only facilitated is cuss ions, but they usually impose a structure and process on the discussions that is designed to move the parties toward mutual understanding and win-win agreements. While many different styles of mediation are common, most mediators have the conflicting parties sit down together to explain to each other their views about the nature of the problem and how they think it might best be solved. The mediator often tries to get the disputants to focus on underlying interests (the things they really need or want) more than their initial opening positions (what they initially say they need or want). By clarifying the divergent views and reasons for those views, mediators can usually get the parties to develop a common understanding of the situation, which often yields a solution which satisfies the interests of all parties. While some mediators take a stronger role in option identification and selection than others, mediators do not have the power to impose a solution. At most, they can suggest a solution, which the disputants may or may not accept.

The most powerful third party role is that of an arbitrator. An arbitrator listens to presentations made by both sides, examines written materials and other evidence relating to a case, and then makes a determination of who is right and who is wrong, or how a conflict should be settled. Usually, the arbitrator's decision is binding and cannot be appealed. Thus, the arbitrator is the most powerful type of intermediary. Arbitration works well when the parties simply want a settlement, and do not worry about losing control of the process or the outcome. For parties that want to maintain control, however, the other forms of intervention (mediation or facilitation) are often preferred.

2.37 Eustress and Distress

Stress and anxiety are closely related: we might even consider the phenomena as two sides of the same coin. The stressors, i.e., the elements within the environment (situations, experiences or persons) which place the organism under stress always undergo a cognitive elaboration upon which the person's reaction will depend to a large extent. Anxiety derives from such an elaboration, as would occur for example in the case of a person who perceives a danger as real and wants tobe free from it. Stress is basically the first stimulation the organism experiences at the occurrence of a modification of the equilibrium existing between the organism and the environment. Anxiety is then one of the possible consequences.

There are two types of stress: 'eustress' (cf. Gr. 'eu', meaning good or positive) and distress (cf. Gr. 'dys': meaning bad, negative or pathological). Eustress - or good stress - is an indispensable condition of life and manifests in the form of constructive or 'interesting' environmental stimulation. An example might be a promotion at work: we are given more responsibility but we also acquire greater satisfaction. Distress is 'bad stress', which can cause considerable emotional upheaval and physical disturbances that are hard to solve. An example might be an unexpected dismissal or a surgical operation.

We all respond to stressful events in different ways as people acquire different experiences throughout their lives and develop different thought patterns and strategies of interpretation of reality. Moreover, the processes of learning play a fundamental role in the interpretation of internal and external events. We learn how to behave in a certain way when confronted by certain stimuli, and the learning mechanisms themselves are triggered automatically outside of our awareness. Our personal evaluations of events and situations undergo the effect of learning and, once consolidated, function in a relatively autonomous manner. In fact, thanks to these behavioural schemes and established thought patterns we can actually save mental and physical energy; they are based on previous experience that has already been elaborated and can be easily recalled and referred to.

A response to stress can be divided into three phases. In the first phase – defined as the 'alarmphase' – stressors generate within the organism a sense of vigilance or arousal (see glossary), with the consequent activation of the psycho-physiological processes already described in relation to anxiety reactions (increase in heart rate, hyperventilation, etc.). Then, in the 'phase of resistance', the organism will attempt to adapt to the situation and the physiological indices now tend to normalize, also in circumstances where reactions and efforts made are very intense. If adaptation to the situation fails, a third stage is reached – the phase of exhaustion – in which the organism can no longer defend itself and its natural adaptive capacities are lost.

This latter phase is the most dangerous as prolonged exposure to a stressful situation can cause the onset of both physical and mental forms of pathology (see 'Anxiety Disorders'). In particular, chronic stress activates a circuit involving cerebral structures and the endocrine system (the hypothalamus-hypophysis-adrenal axis), and in particular the adrenal glands, which increase secretion of cortisol. When present in quantities higher than normal, this 'stress hormone' can cause various disorders (see also 'Stress and Illness').

Some of the most frequent symptoms of stress are: a frequently recurring sensation of tiredness, accelerated heartbeat, difficulty in concentrating, panic attacks, crying, depression, frustration, anxiety attacks, sleep disorders, muscular pain, stomach ulcers, diarrhea, stomach cramps, colitis, improper functioning of the thyroid, being sickness prone, having difficulty in expressing oneself or finding the right words, a feeling of boredom in practically all situations, the frequent need to urinate, changes in the tone of voice, hyperactivity, mental confusion, irritability, the lowering of autoimmune defences, diabetes, hypertension, headaches and ulcers.

2.38 Leveraging Power from Your BATNA

If you have less acknowledged power in a negotiation situation (fewer resources, less knowledge, lower status, less authority, etc.) you have to work harder to find ways to tilt the negotiation in your favour. But there is always 'some' aspect of the situation you can turn to your advantage. Remember, if you didn't have any ability to help or harm the other parties, they wouldn't bother negotiating with you.

1. Develop better alternatives so you have less need for a deal or agreement.
2. Reduce your ego needs, or at least your desire to meet them through the other party.
3. Find out what matters to the other party (personal as well as business) and gain control over it.
4. Keep momentum going, give away small concessions and favours.
5. Make it clear what they could lose.
6. Get commitment to decision-making processes that favour your desired outcome.
7. Use threats as last resort and usually if you can and will back them up.
8. Find allies.
9. Reduce your urgency, increase theirs.
10. Negotiate over issues you can speak passionately about.
11. Check your assumptions about their power and yours.
12. Listen. Keep learning. Stay alert!!!!

We live in a world where global business often involves tough negotiating situations that can make many small business people feel uncomfortable. When I am asked to coach someone in this situation, I always encourage them to define their BATNA, their Best

Alternative to a Negotiated Agreement, and we use this to assess potential agreement. If you are negotiating for a salary raise, your BATNA might be to find a better-paid job!

You can find your BATNA in three ways:

1. What can you do to pursue your interests without help? If you are negotiating for supplies, can you find a second source?
2. What can you do to make the other person respect you more? If you want discounted prices, can you affiliate your purchasing with many colleagues to gain weight?
3. How can you bring in a third-party to further your interests? If you can co-opt an expert, an arbitrator or an academic report, would you gain strength?

The importance of mastering the art of persuasion is vital to the ability of a manger to efficiently address the many vexing challenges faced in the ever evolving marketplace. Effective persuasion is achieved when managers arrive at shared and mutually beneficial solutions. This ability necessitates that managers utilise negotiation skills that will equip them to guide their employees towards joint problem solving and in joint opportunity finding.

Negotiation skills are honed through careful preparation, innovative framing of problems and arguments, and communicating this evidence in a most vivid manner. By establishing the most correct emotional match with other parties, managers will generate a climate of greater openness and a willingness to move to positions not previously held.

Conger, in a recent published article in the Harvard Business Review, notes the following most common mistakes made by managers when attempting to persuade employees or clients.

The biggest mistake occurs when a manage attempts to make their case by resorting to an up front, hard sell approach involving persistence, rational thinking and a lively presentation. Inspite of their belief that this will move the negotiation to a swift conclusion, it more likely offers the other party/parties a clear target to shoot at.

This method will cause the other party to resist compromise as they will view it as a form of surrender. This approach disregards research findings to the effect that it will not be possible for managers to persuade employees/clients to persistently alter their attitudes, ideas and behaviours without themselves also changing their attitudes, ideas and behaviours.

These managers do not appreciate the fact that persons are only willing to open themselves to persuasion when they are convinced that those are attempting to persuade them accept and appreciate their needs and concerns. Simply by viewing persuasion as a one-way street they fail neglect to listen to employees/clients and do not include their viewpoints in the negotiation process.

They exaggerate the relevance of presenting great arguments. Following this process these managers do not consider the importance of other variables such as their credibility, their ability to build a mutually beneficial frame for their position, connecting with the audience at the best emotional level and communicating in vivid language that brings ideas to life.

They make the assumption that persuasion is an event and forget that it is a process. This result in a lack of sensitivity because shared solutions frequently necessitates 'listening' to people, testing positions, creating new positions that integrate group inputs, more testing, incorporating compromises and then trying again.

When you need it

Generally, I find that a BATNA needs be built and maintained to strengthen the negotiating position. Say you are selling your house and a purchaser shows interest in buying, build yourself a BATNA by showing your house to more people, and line up a second and third purchaser too.

BATNA gives you great negotiating power irrespective of the size, power, seniority, or ability of the other party. Then decide where to open your negotiations, how far to move, and how long to hang on for a settlement. I refuse to accept first offers because my experience shows that working together on a deal can create extra value for both parties.

What it gives you

When I have a strong BATNA, I can say, "I am okay if the negotiation does not go forward!" I understand I have the power to say "No!", and to ask "what if" against every assumption that I can find.

I love using "if" to trade off what we each want then we can hold the price while changing the package. When there are things I have to concede, I do this slowly and always ask for extras to balance each concession. I find that if I keep asking "How do you see this", I can build bridges (rather than attacking), discuss other person's feelings and show mine, so we avoid deadlocks.

What's in Your BATNA?

How do you determine your best alternatives to a negotiated agreement? First, you have to dissect both your position and your interests. Then, look at the sum of these parts relative to all the alternative options available. Pick the best option. Finally, do the reverse from your counterparts perspective. A well prepared negotiator looks at the whole picture.

Some of the most crucial factors which should be considered include;

- **The cost:** Ask yourself how much it will cost to make the deal relative to the cost of your best alternative. Cost estimation may entail both the short-term and the long-term. It boils down to figuring out which of your options is the most affordable.
- **Feasibility:** Which option is the most feasible? Which one can you realistically apply over all the rest of your available options?

- **Impact:** Which of your options will have the most immediate positive influence on your current state of affairs?
- **Consequences:** What do you think or estimate will happen as you consider each option as a possible solution?

Mine is not Necessarily Bigger than Yours!

Is that your ego showing? Put that thing away right now! After all the work you put into estimating your BATNA, you might be feeling pretty smug. Studies have clearly shown that it is an all 'too human' tendency to overestimate the strength of one's own BATNA, while underestimating the strength of your counterpart's.

The underlying danger occurs at the point when one party reveals an overestimated BATNA too early in the talks. Having put all their cards on the table too soon, they call the other side. Suddenly, they find that their big hand really equates to a pair of deuces facing a full house. Kiss that pot goodbye!

The other side of the coin happens when you are absolutely certain that you have the stronger BATNA. Let's suppose you know the other party needs to make a deal, and they have no options available except to turn to your company. Now is the perfect time to put your own powerful BATNA on the table. The BATNA you employ can act as a powerful leverage while you decide whether or not to make the deal. As always, gauge the situation accordingly. Timing can mean everything in determining when to put your BATNA on the table.

2.39 Boosting Your BATNA

In the reverse situation, what can you do with a weak BATNA? Can your turn the tables? Yes, there are two ways this might be accomplished. The first possibility is to strengthen your own BATNA. The second way is to reduce the BATNA of your counterpart.

- **Be Creative:** Simply ask yourself what other options you might employ that could increase your bargaining position. Brainstorm the situation with all the key players in your organization. Your planning must also factor in your counterpart's interests and options.
- **Improve Your BATNA:** Endeavour to expand your options. One possibility is to consider bringing into the mix, other interested third party partners. A third parties interests may coincide with key components of your interests, or of your counterpart's. For example, this might entail creative financing which presents a more attractive option to your counterpart. If you weaken the other sides best alternative by injecting another element into the mix, the game takes on a whole new slant.
- **Use Experts:** Neutral parties with their own relevant expertise might be able to unravel your problem into a newly designed, but more attractive perspective. If your side lacks some area of expertise, get the experts to lend a hand.

2.40 The Power of Leverage

One of the most powerful tools successful people use on a regular basis is leverage. Leverage means utilizing the strengths of other things, processes, and people to do a lot more than you could do alone. Leverage helps you get the most out of yourself, because you free up your time to work on the activities that are most valuable to you.

The famous Greek mathematician, Archimedes, said:

"Give me a lever long enough and a place to stand, and I can move the world."

If it's time to move your world, here are five ways you can utilize the concept of leverage to improve your circumstances and get more of what you want out of life.

1. **Learn from others:** Remember having to listen to stories your parents told because they were trying to prevent you from making the same mistakes they did? Successful people take advantage of such knowledge and wisdom wherever they can get it. There are millions of books written by and about people who learned hard lessons in life and they put that knowledge in writing to share it with you. Take courses, go to seminars, read magazines, do whatever you can to learn from others' failures, and successes. Join the professional organization for your field and attend their conferences. I can't even begin to tell you how much time, effort, energy and money I saved by joining the National Speakers' Association, and there are many others who share the same sentiment.
2. **Outsource:** Use the energy and knowledge of other people to make your life easier. This might mean hiring someone to clean your house, getting the dry cleaners to press some shirts, hiring a technical writer to prepare some necessary documentation you need, etc. Most of use could leverage others' businesses and energy and enjoy a lot more time off, or more productive time. Your bottom 20 activities, those things you really don't like to do or that just don't contribute to your productivity should definitely be outsourced.
3. **Utilize investment funding:** Your ability to borrow and tap into the financial resources of other people and institutions can enable you to accomplish many great things that would not be possible if you had to pay for them out of your own resources. Always be looking for opportunities to borrow and invest money and achieve returns well beyond the cost of that money. This requires planning and research, but the benefits are huge.
4. **Make use of untapped brilliance:** One good idea is all you need to start a fortune. Listen to others' ideas when you are at parties and listen for things that, combined with your talent and resources, are viable business ideas. In his seminars, Brian Tracy likes to point out that there are many examples throughout history where someone had an idea, expressed the concept of that idea at a social event, then a year later noticed that someone had produced the product or launched the business.

If you have such an idea, act on it. If you hear of one, act on that as well. I'm not talking about stealing someone else's business plan, here. I'm sure you've been out with friends before who thought of things that should be developed or you've heard comments like, "Someone should invent . . ."

5. **Work "the system":** The social networking system, that is. If we are six degrees of separation from anyone in the world, then we are just six degrees away from the perfect resource. Whatever it is you need to make your life more profitable and enjoyable, you know someone who knows someone who knows someone who can help you. Make the most of all social events by getting to know someone knew. It does you no good whatsoever to meet 30 new people whom you'll never remember, nor will remember you. But make one or two good contacts, and your power of leverage will increase.

French and Raven developed what is regarded as a classic scheme for categorizing the various bases of power. Their work was first presented in an article in Studies of Social Power in 1959, titled "The Bases of Social Power". They identified five distinct bases of power: legitimate, reward, coercive, expert and referent. These five power bases were expanded on by Hershey and Blanchard in their text, "Management of Organizational Behavior" (1982) in which they added two more bases of power that are relevant to this discussion. The two additional power bases are: connection and information. The seven power bases can easily be separated into two broad categories of power: positional and personal.

2.41 Sources of Power

Positional Power

Legitimate power (sometimes called authority or formal power) is that which is derived from the person's position in the organization. It exists because organizations find it advantageous to assign certain powers to individuals so that they can do their jobs effectively. All managers have some degree of legitimate power.

Reward power is based on the individual's ability to reward desirable behaviour. It stems partly from legitimate power. Managers because of their positions have control over certain rewards, such as pay increases, promotions, work schedules, status symbols and recognition awards, which they can use to reward desirable behaviour.

Coercive power is the opposite of reward power, and is based on the ability of the individual to sanction (punish) or prevent someone from obtaining desirable rewards. Rewards and punishment are powerful motivational tools, and leaders are generally better served by the exercise of reward power than by the exercise of coercive power. But only if reward power is used effectively. Look at these three types of power as POSITIONAL power and conferred on one from the ORGANIZATION, e.g., they come with the position of manager, and each manager has at least some of each of the three "powers of office." The remaining four, however, are in a different domain entirely.

2.42 Personal Power

Expert power derives from having knowledge that is valued by the organization or individuals with whom the person interacts. Expertise in a particular field or at problem solving or at performing critical tasks are types of expert power. Expert power is personal to the individual who has the expertise, hence it is different from the other three sources of power previously mentioned. However, the possession of expert power may be the basis for rising to a management position in the area of the expertise, now providing the incumbent with expert power as well that legitimate, reward and coercive power.

Referent power results when the individual engenders admiration, loyalty and emulation to the extent that the person gains the power to influence other. Charismatic leaders have referent power. They have a vision for the organization that they lead, strong convictions about the correctness of the vision, and great confidence in their ability to realize the vision, and are perceived by their followers as agents of change.

Connection power is more commonly referred to as "networking" these days. It is who you know, vertically and horizontally, both within and outside the organization. This may be referred to in some circles as the "Old Boys Club" and represents many of the political dynamics that make up organizations.

Information power is a power that can be either personal or positional. A manager should have more information power than his or her direct reports but it isn't always the case. As a result, an individual that is actively involved in the "grapevine" often has more accurate information than the manager. The "grapevine" is thought to be primarily rum or but, when studied, the"grapevine" has proven to be about 80% correct. Therefore, the person in the organization with the most reliable information is thought to have quite a bit of power.

A wise leader realizes that in order to be an effective leader he/she can not rely exclusively on positional power. There is a delicate dance that must take place between positional and personal power for a manager to be considered an effective leader.

The fascinating thing about power is that people who hold it are expected to use it or they risk losing respect for not exercising power. When Reagan was president he was an example of a person that totally fulfilled the role of the powerful president, almost like royalty. While at the same time, Carter, who made a big deal out of carrying his own bags, was not perceived as having a lot of personal power. It is a delicate balance but people do need to exercise their legitimate power. Regardless of whether a person is the CEO or the secretary they are expected to exercise their power. Power is a neutral tool, so exercising the power does not have to be a negative action. Rather, an individual needs to use their legitimate power to do their job more effectively.

I always appreciated the words of Harry Truman..."when your term of public office is over you put away the tools (power) the public has given you since the tools are not for your personal use but rather to help you do your job"...or words to that effect... this is my interpretation. I think managers think they are the power in much the same way that politicians believe they have the power rather than the "tools" to do their job. When managers think they have positional power because of who they are rather than the position they hold in the organization, they are headed for trouble.

Power is a neutral tool which can be used for positive or negative outcomes. I found from my research that when power is treated as an opportunity to do good for others and the organization, everyone benefits. In many respects power is like love, the more it is shared, the more it grows. Many managers have trouble sharing power for fear they are giving away a scarce resource and once power is given away it is lost.

2.43 Leveraging Power through Persuasion

Principles of persuasion that can be used to alter the other party's viewpoint:

1. Frame the question that is vital present it in the most favourable light
2. Marshal persuasive arguments to answer that question
3. Choose the most persuasive argument to support your position
4. Match nonverbal communication to the verbal

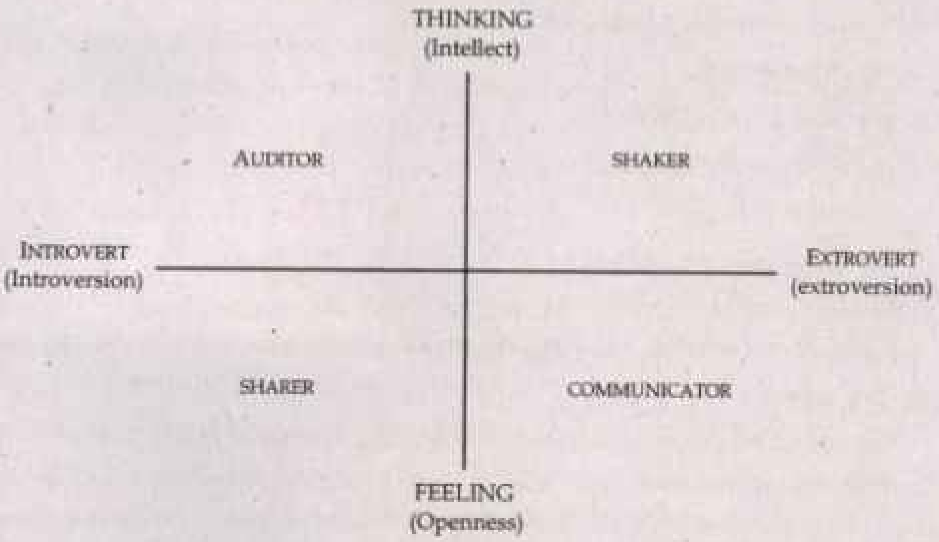


Figure 2.2

Creating Persuasive Arguments

2300 years ago, Aristotle wrote down the secret to being a persuasive speaker, the secret which forms the basis for nearly every public speaking book written since then.

Do you know the secret?

If you don't, you might be wondering what a 2300-year-old theory has to do with public speaking in the year 2010. In a word—everything!

In this article, you'll learn what ethos, pathos, and logos are (the secret!), and what every speaker needs to understand about these three pillars of public speaking.

What are Ethos, Pathos, and Logos?

In simplest terms, they correspond to:

- **Ethos:** credibility (or character) of the speaker
- **Pathos:** emotional connection to the audience
- **Logos:** logical argument

Together, they are the three persuasive appeals. In other words, these are the three essential qualities that your speech or presentation must have before your audience will accept your message.

2.44 Origins of Ethos, Pathos, Logos

On Rhetoric by Aristotle

1. Ethos, Pathos, Logos – Introduction
2. Ethos – Speaker Credibility
   (a) What is Ethos?
   (b) How to Establish Ethos?
3. Pathos – Emotional Connection
   (a) What is Pathos?
   (b) How to Develop Pathos?
4. Logos – Logical Argument
   (a) What is Logos?
   (b) How to Convey Logos?

Written in the 4th century B.C.E., the Greek philosopher Aristotle compiled his thoughts on theart of rhetoric into On Rhetoric, including his theory on the three persuasive appeals.

Many teachers of communication, speech, and rhetoric consider Aristotle's On Rhetoric to be a seminal work in the field. Indeed, the editors of The Rhetoric of Western Thought: From the Mediterranean World to the Global Setting call it "the most important single work on persuasion ever written." It is hard to argue this claim; most advice from modern books can be traced back to Aristotle's foundations.

In The Classic Review, Sally van Noorden points to George Kennedy's modern translation as the standard reference text for studying On Rhetoric. Kennedy's translation is the source that I use. (At the time of this writing, it is available from amazon.com for $24.56, 18% off the list price.)

Ethos

Before you can convince an audience to accept anything you say, they have to accept you as credible. There are many aspects to building your credibility:

1. Does the audience respect you?

2. Does the audience believe you are of good character?
3. Does the audience believe you are generally trustworthy?
4. Does the audience believe you are an authority on this speech topic?

Keep in mind that it isn't enough for you to know that you are a credible source. (This isn't about your confidence, experience, or expertise.) Your audience must know this. Ethos is your level of credibility as perceived by your audience.

We will define ethos in greater detail, and we will study examples of how to establish and build ethos.

Pathos

Pathos is the quality of a persuasive presentation which appeals to the emotions of the audience.

1. Do your words evoke feelings of … love? … sympathy? … fear?
2. Do your visuals evoke feelings of compassion? … envy?
3. Does your characterization of the competition evoke feelings of hate? contempt?

Emotional connection can be created in many ways by a speaker, perhaps most notably by stories. The goal of a story, anecdote, analogy, simile, and metaphor is often to link an aspect of our primary message with a triggered emotional response from the audience.

We will study pathos in greater detail, and look at how to build pathos by tapping into different audience emotions.

Logos

Logos is synonymous with a logical argument.

1. Does your message make sense?
2. Is your message based on facts, statistics, and evidence?
3. Will your call-to-action lead to the desired outcome that you promise?

We will see why logos is critical to your success, and examine ways to construct a logical, reasoned argument.

Which is most important? Ethos? Pathos? or Logos?

Suppose two speakers give speeches about a new corporate restructuring strategy.

1. The first speaker — a grade nine student — gives a flawless speech pitching strategy A which is both logically sound and stirs emotions.
2. The second speaker — a Fortune 500 CEO — gives a boring speech pitching strategy B.

Which speech is more persuasive? Is the CEO's speech more persuasive, simply because she has much more credibility (ethos)?

Some suggest that pathos is the most critical of the three. In You've Got to Be Believed to Be Heard, Bert Decker says that people buy on emotion (pathos) and justify with fact (logos). True? You decide.

Notes

Aristotle believed that logos should be the most important of the three persuasive appeals. As a philosopher and a master of logical reasoning, he believed that logos should be the only required persuasive appeal. That is, if you demonstrated logos, you should not need either ethos or pathos.

The power of persuasion can open doors for you and make the path to success much smoother. After reading this article, you will have an array of persuasive techniques at your disposal.

The most persuasive techniques have their roots in NLP (neuro-linguistic programming). These persuasion techniques are based on empathy – in order to persuade someone – you must understand them.

2.45 Empathy-based Persuasive Techniques

The first and most important thing you must understand about the person you are trying tunefulness is what their mind best responds to – feel, visual, or auditory stimulation. Knowing this will allow you to be more persuasive by plugging into and feeding this specific desire.

Females usually respond best to feelings, but not always. Men often respond well to visuals, and some people are affected by audio. To learn which is the best stimulation to focus your persuasion, look at how they talk. Do they say "I see", "I hear what you're saying", or "I feel that…"? These are obvious examples of course, the correct answer could be more subtle and perhaps a mixtureof two types of stimulation.

Adjust your persuasion techniques based on the kind of mind you are dealing with; for example, when persuading someone who is "feel" orientated, focus on how they will feel if they do what you are trying to convince them to. Don't try and tell them what it will be like – you have to make them actually feel it.

The more you're aware of the person you're dealing with, the more effectively you will be able to focus your persuasive techniques.

2.46 Mirror-based Persuasive Techniques

As well as focusing the content of your persuasion in a way that interacts well with their specific personality type, you can also adjust your language and the way you speak to put yourself on their level. People respond better to persuasive techniques that are in their own "language". Pick up on specific words that they use and use them back on them, especially adjectives. Pay attention to their speed, pitch and volume, and respond as similarly as possible.

Matching your body language and even your pose/position is a subtle but surprisingly powerful persuasive technique. You need to be subtle and it may feel awkward at first, but with some practice you will see how effective this technique, known as "mirroring", can be at developing a rapport and

Other Persuasive Techniques

There are many other persuasive techniques that you can work on and build up. We recommend that you master the empathy/mirror persuasive techniques most importantly as these are the most effective. However, the following techniques can be valuable additions to your persuasionarmory.

Persuasive Words

There are many subconscious persuasive words that one can use. Often these will be a call to action: for example "Do that" or "Be this". Positive words and adjectives such as "Definitely", "Most" and "Effective" are very persuasive all on their own.

Use "now" words such as "today" or "at the moment" often to subliminally suggest urgency.

Rhetorical questions

Getting the person to think for themselves is highly motivating and can therefore be extremely persuasive. Ask questions that engage them and they automatically become more receptive. This will also help you learn more about them. Often this will even convince them that they are making the decision when in fact you have simply steered them to this persuasion.

Using Persuasive Language

Tactics that make an argument persuasive:

1. **Metaphor:** A powerful way to convey meaning from one thing to another.
2. **Humor:** Can create a positive atmosphere, or diffuse a tense moment.
3. **Using props:** Visual people respond better to images and words than verbal communications. Props can focus the discussion easily.
4. **Storytelling:** Conveys the interests behind the position.
5. **Focus on other party's perspective:** Use either a central route – encourage content, or peripheral route – using throwaways, friendly/flattering behaviour.

2.47 Tools for Persuasive Communication

Successful negotiators create leverage through persuasive

1. **Verbal communication:** direct single dialogue to present a position, followed by silence (use tone, pitch, and volume of your voice to convey meaning)

2. **Non-verbal communication:** can add emphasis through body language, facial expressions, actions
    (a) **Kinesis:** posture and physical movements (standing up, circling, walking out)
    (b) **Eye movement:** maintain eye contact to convey security, truthfulness
    (c) **Facial expression:** can express anger, happiness, fear, concern, etc., but also can be misread
    (d) **Gestures:** can be misread
    (e) **Time and space:** arriving on time, pleasant meeting space send cues.

2.48 Persuasion through Process

Process techniques to shape the other party's perception

1. Identify the decision maker: take the discussion to them.
2. Address needs of individual team members if the interests of the groups are diffused.
3. Frame the issue in terms of achieving common good for both parties, or meeting sharedcore values.
4. Share the diagnosis of the problem to create support from both parties.

2.49 Leveraging Power through Pressure Tactics

Key concepts:

- Power is always relative – the power balance between parties is critical
- Power can be real or perceived
- Self-confidence gives one power
- Belief that power will be used can make it unnecessary to exist
- Power can be limited by outside influences
- Ends and means can't be separated
- Exercising power involves risks and costs
- Balance of power may change

2.50 Summary

Most negotiators believe that power is important in negotiation because it gives one negotiator an advantage over the other party. Negotiators who have this advantage usually want to use it to secure a greater share of the outcomes or achieve their preferred solution. The most desirable source power is of the person whose morality, ethics and sincerity are transparent and obvious. The motivation here is that of personal gain and aggrandizement. The exercise of power entails costs and risks. Negotiators use power tactics to give an impression of having many alternatives. Expert power is the power of knowledge that comes through control over information. A sensible use of power is to choose to fight on your own ground, and not to fight at the same time on many fronts.

Notes

Early deals can be done to build relationships, strengthen the relationship with the high power party. Seek out information that strengthens your negotiating position and case.

First impressions can be slowly swayed over time. Paralanguage are the variations that we put into our speech. Humans are programmed to reciprocate when we are given something. The most powerful third party role is that of an arbitrator. A real-life example of this is when bloggers will review a product by first mentioning its faults. Person-role conflict-ethics are involved: challenging personal beliefs or principles. Cognitive Richard Lazarus emphasized that stress was caused by the environment that the person is in rather than the body itself. He found that people differ greatly in that respect. Individual distress manifests in three basic forms known as Psychological disorders, Medical illnesses, and Behavioral problems. It is important that both managers and supervisors are open communicators.

Mediators not only facilitate discussions, but they usually impose a structure and process on the discussions that is designed to move the parties toward mutual understanding and win-win agreements.

Leverage is situational advantage—the ability to HELP or HARM the other party. One of the most powerful tools successful people use on a regular basis is leverage. The importance of mastering the art of persuasion is vital to the ability of a manger to efficiently address the many vexing challenges faced in the ever evolving marketplace Leverage means utilizing the strengths of other things, processes, and people to do a lot more than you could do alone. Many teachers of communication, speech, and rhetoric consider Aristotle's On Rhetoric to be a seminal work in the field.

Reward power is based on the individual's ability to reward desirable behaviour. Getting the person to think for themselves is highly motivating and can therefore be extremely persuasive.

2.51 Keywords

- ***Reward Power:*** Derived by being able to reward others for doing what needs to be done.
- ***Changing Personnel:*** This happens when the conflict is pinpointed to an individual commonly with a low level emotional intelligence.
- ***Character Assassination:*** This action is to diminish an individuals/groups reputation and often leads to slander.
- ***Expanding Resources:*** This is where the conflict is limited resources, so the simple solution is to provide more.

Notes

- ***Non-action:*** This is when people do nothing in hopes that it will someday disappear.
- ***Secrecy:*** This is when a certain group of the organization try to hide the problem from the majority.
- ***Superordinate Goal:*** This is an organization goal that should be focused on by the conflicting parties rather than individual goals.
- ***Non-Work Demands:*** Creates stress for work and the other way around creating stress outside of work.
- ***Connection Power:*** It is more commonly referred to as "networking" these days. It is who you know, vertically and horizontally, both within and outside the organization. This may be referred to in some circles as the "Old Boys Club" and represents many of the political dynamics that make up organizations.
- ***Legitimate Power:*** It is that which is derived from the person's position in the organization. It exists because organizations find it advantageous to assign certain powers to individuals so that they can do their jobs effectively. All managers have some degree of legitimate power.

2.52 Review Questions

1. Define role of power in negotiation.
2. What do you know about power of motivation?
3. Explain nature of power in negotiations.
4. Describe about internal collusion.
5. What is the use of power in negotiation?
6. Elaborate the statement "power changes overtime".
7. Explain about relationship based power.
8. Explain about position based power.
9. Explain about four major negotiation styles.
10. Describe strategies and techniques of negotiation.
11. Explain about the steps for resolving conflicts.
12. Define compromise and accommodating.
13. Define confronting and negotiating.
14. Describe about the effective conflict management techniques.
15. Discuss the importance of perception.
16. What do you know about social perception?
17. Describe the Five Keys to effective supervisory communication.
18. Explain about Reflective Listening.

19. What are the barriers and gateways to communication?
20. Explain the importance of power.
21. Describe about the importance of communication.
22. Explain about the principles of persuasion.
23. What do you mean by third party intervention?
24. Explain about the political behaviour leadership in organisation.
25. Discuss about four categories of work demands.
26. What are the four approaches to stress?
27. Explain leveraging power from your BATNA.
28. Discuss the sources of power.
29. Describe the leveraging power through persuasion.
30. Explain the concept of leveraging power through pressure tactics.
31. Explain about Ethos, Pathos and Logos.
32. What do you mean by personal power.
33. What do you know about Information Power?
34. Elaborate the statement "Creating Persuasive Arguments".

Notes

2.53 Further Readings

- Books Booth, A., Crouter, A. C., & Clements, M. (Eds). Couples in Conflict. Mahwah, NJ: Lawrence Erlbaum.
- Casing a Promised Land by Goodall: Carbondale: Southern Illinois UniversityPress.
- Conflict Management & Organization Development by Willem F.G. Mastenbroe: John Wiley & Sons.
- Coser, L. The Functions of Social Conflict. New York: Free Press.
- Cupach, W.R. & Canary, D.J (1997). Competence in Interpersonal Conflict. Prospect Heights, IL: Waveland.
- International Journal of Conflict Management by Jones, T.S., Remland, Non Verbal Communication and Conflict Escalation: An attribution Based Model.
- Leading Through Conflict, How Successful Leaders Transform Differences into Opportunities by Mark Gerzon: Harvard Business School Press.

UNIT–3

Notes

Counselling

(Structure)

3.1 Learning Objectives
3.2 Introduction
3.3 Definition of Counselling
3.4 Hallmarks of a Counsellor
3.5 Characteristics of a Counsellor
3.6 Counselling in the Indian Context
3.7 Changing India and Role of the Counsellor
3.8 Counselling Approaches
3.9 Primal Psychotherapy
3.10 Brief Therapies
3.11 Eclectic Approach
3.12 Counselling Therapies
3.13 Counselling in India: Its Relevance and Suitability
3.14 The Process of Counselling
3.15 Factors Influencing Counselling Process
3.16 Summary
3.17 Keywords
3.18 Review Questions
3.19 Further Readings

3.1 Learning Objectives

After studying the chapter, students will be able to:

- Explain the theories of learning;
- Define counselling psychology;
- Explain the difference between counselling and guidance;
- Explain the role and characteristics of a counsellor;
- Elucidate the origins of counselling in India;

- Describe the various approaches to counselling;
- Explain important factors influencing the counselling process.

3.2 Introduction

Notes

This unit deals with counsellor, counselling and guidance issues. We start with the definition of Counselling and guidance and differentiate guidance from counselling. Then we take up characteristics of counselling and guidance and differentiate counselling from psychotherapy. Then we deal with the counsellor and the important aspects of a counsellor. Then we take up the characteristics of a counsellor. We elucidate the typical training and educational qualifications to make a person a counsellor and provide information regarding licensing of counsellors to practice both in India and other countries. Then we elucidate the other qualifications of counsellors, the certification and advancement in the field. Then we deal with the values of the counsellors and how they use the same in the profession.

This unit deals with counselling in the Indian context. We start with counselling definition and differentiate it from guidance. We then present the characteristics of counselling and put forward the perspectives of counselling. Then we deal with origin of counselling movement in India in which we present the origin of counselling from 1938 onwards. Then we move on to discuss changing India and how the role of the counsellor also has changed. The various counselling approaches are discussed. Then we discuss the Primal psychotherapy under which Adlerian therapy, person centered therapy and gestalt therapy are presented. This is followed by brief therapies with a focus on solution focused therapy. Then we discuss the eclectic therapies in which many therapeutic approaches are combined as per the needs of the client concerned. Then we discuss counselling in India, its relevance and suitability. Then we present the characteristics of contemporary India and discuss the implications of counselling in that context. We also present changing trends in counselling in India.

This unit deals with the counselling process. It starts the definition of the counselling process, what it is and the typical features of the counselling process. This is followed by steps in counselling process and the typical processes followed by counsellors in this process. Then we discuss the procedures involved in the counselling process and how developing a relationship is important in this process. Then we describe the working of the counsellor and the client within the relationship and then we present the termination of this relationship when the counselling process reaches its goal. The next section deals with the factors influencing counselling process which includes in it the structure, initiative to be taken by the client, the setting in which the counselling process takes place, the client's and the counsellor's qualities.

3.3 Definition of Counselling

Counselling is distinguished from other mental health disciplines by both its history and its emphasis. It focuses on development and the prevention of serious mental health problems through education and short term treatments. It emphasises on growth as well as remediation. It focuses on providing therapeutic treatments to clients who experience a wide variety of symptoms. It is also one of the largest specialty areas within psychology.

Counselling as a profession is relatively new. It grew out of the guidance movement, in opposition to traditional psychotherapy. In order to understand what counselling is, you must first understand these concepts.

Counselling is often performed face to face in confidential sessions between the counsellor and client(s). However, counselling can also be undertaken by telephone, in writing and, in these days of the Internet, by email or video conferences. Counselling can and may take many different formats to bring a person to a better understanding of himself and others. It can therefore be seen that counselling can be of benefit to a person experiencing problems in finding, forming, and maintaining relationships.

It is the ability to listen and respond in a way that will help others solve their own problems and attain their potential. It is the art of helping others arrive at the right answer by their own analysis of the situation and the facts. It has to be done skill fully without an attempt to influence the values and beliefs of the client.

Counselling involves talking with a person in a way that helps the person solve a problem or helps to create conditions that will cause the person to understand and/or improve his behaviour, character, values or life circumstances. It is a process that enables a person to sort out issues and reach decisions affecting their life. Often counselling is sought out at times of change or crisis, however it need not be so as counselling can also help us at any time of our life.

It emphasises on exploration and understanding the problem and stresses the idea of professional relationship and the importance of self determined goals (of course by the client). It should be differentiated from advice giving or directing. It should be noted that counselling is a principled profession.

Biswalo (1996) defines counselling as a process of helping an individual to accept and to use information and advice so that he/she can either solve his/her present problem or cope with it successfully. Counselling depends heavily on information.

According to British Association for Counselling and Psychotherapy (2002), counselling takes place when a counsellor sees a client in a private and confidential setting to explore a difficulty a client is having, distress that the client may be experiencing or perhaps the client's dissatisfaction with life or loss of a sense or direction and purpose. American Psychology Association have defined counselling on numerous occasions. These definitions contain a number of common points, some of which are as follows:

- Counselling is a profession.
- Counselling deals with personal, social, vocational empowerment, and educational concerns.
- Counselling is conducted with persons who are considered to function within the normal range.
- Counselling is theory based and takes place in a structured setting.
- Counselling is a process in which clients learn how to make decision and formulate new ways of behaving, feeling and thinking.
- Counselling encompasses various subspecialties.

Now let us see how counselling is different from guidance.

Counselling and Guidance

Let us now see the difference between counselling and guidance. "Guidance is a term used to denote the process of helping an individual to gain self understanding and self direction (self decision making) so that he can adjust maximally to home, schools or community environment." (Biswalo, 1996).

Guidance is giving leadership, supervision, direction, or professional guidance for future actions. Guidance has more to do with something that you are not sure of or something that you don't know about and you have some one who is familiar with explaining it to you while counselling has something do do with something that you have trouble with.

Someone who provides guidance offers you suggestions how to explore various alternatives. Counselling may also offer suggestions, but it also tries to teach you methods for reaching your goals and can help you determine what your goals are. In practice there may be no difference between the two, because it depends how people practice each technique and how they interpret their skills.

Guidance is pre problem, that is there is no specific problem that is identified in an individual.

Counselling is post problem, meaning a problem has already been identified and therefore the counsellor helps to address the problem but not to solve it.

Counselling is not giving opinion, instruction or advice, it is using facilitative listening and questioning to allow the client to choose the best solution for a problem. Counselling is based on a wellness model rather than a medical model. Authors such as Hershenson and Strein (1991); and Palmo, Shosh and Weikel (2001) emphasised that counsellors are concerned about the client's environment with a more global view than other professionals as well as a concern that goes beyond treating dysfunction or pathology and dealing with the clients' self awareness, personal growth, and wellness.

Guidance refers to the act or process of guiding. Guidance is a type of counselling, such as that provided for students seeking advice about vocational and educational matters.

Characteristics of Guidance

Guidance is a continuous process such that it a regular service, which is required at every stage for every person, not only for the problematic situations and abnormal people. It is a positive program geared to meet the needs of all people. It is needed right from early childhood, adolescence through adulthood and old age.

It is both generalised and a specialised service. It is a generalised service because teachers, lecturers, advisors, deans, parents and elders, all play a part in guidance.

It is a generic term as it includes information giving and research activities. It is a specialised service because specially qualified personnel as counsellors, psychiatrists, psychologists join hands to help Individuals to adjust to the environment.

Thus we see that guidance is more information oriented and addresses the developmental issues. On the other hand, counselling is more remedial in nature, aimed at helping the person deal with the problems and conflicts in his life.

Counselling and Psychotherapy

Psychotherapy, or personal counselling with a psychotherapist, is an intentional interpersonal relationship used by trained psychotherapists to aid a client or patient in problems of living. Traditionally it focuses on serious problems associated with intrapsychic, internal, and personal issues and conflicts. Characteristically, it emphasises the following issues:

- The past more than the present
- Insight more than change
- The detachment of the therapist
- The therapist's role as an expert

Psychotherapy usually involves a long term relationship that focuses on reconstructive change. It is provided in both outpatient and inpatient settings whereas counselling deals with minor problems of daily living and is usually provided in outpatient settings.

3.4 Hallmarks of a Counsellor

Effective counselling is a two way street. It takes a cooperative effort by both the person receiving counselling and the counsellor and it takes a commitment to make sometimes difficult changes in behaviour or thinking patterns.

The term counsellor has numerous meanings. Most often it is used to describe someone who is a therapist, which could mean a licensed clinical social worker, a marriage and family counsellor, a psychologist or even a psychiatrist who conducts regular therapy sessions. Counsellor is also a term used to describe lawyers, who advocate for others in court or give legal advice, a person working as a representative of a state, a person working at a children's camp, at a school to give academic advice, or for a church.

An effective counsellor can identify negative thinking patterns such as feelings of sadness, depression or anxiety. By encouraging you to build upon personal strengths and suggesting skills that can overcome self inflicted feelings of hopelessness, a counsellor can help you develop a more positive attitude.

A good counsellor can assist you in making positive changes in your relationships with others, helping you recognise behaviours that may be contributing to a troublesome relationship. Your counsellor can teach you effective ways of communicating, clearing the way for honest exchanges with people in your life who may be causing you emotional pain.

Counsellor skills would certainly include knowledge of the psychological theories underpinning our understanding of the human experience. Without that understanding, using the techniques proponents of a particular theory offer becomes robotic, and can diminish a client's experience of counselling. Counsellor must have an awareness of theories of personality and abnormal personality. Counsellor should be aware of multi-cultural issues.

3.5 Characteristics of a Counsellor

A counsellor's personality is a crucial ingredient in determining the effectiveness of counselling. The skills needed for effective counselling are non-negotiable and not open to compromise: all are necessary and when understood and internalised, form the value base for our profession.

Effective counselling requires an understanding of self and a detailed awareness of the impact of oneself on others.

A counsellor needs to be equipped with advanced listening skills. They must be able to recognise the various levels of empathy of their responses, (i.e. reflecting an accurate understanding of the feeling being expressed by the client). It is necessary to develop the ability to listen with an open mind, to refrain from judgmental responses and to actively check with the client that the understanding of the feelings being expressed is correct.

Counselling demands a process of negotiation and problem solving. A clear goal needs to be set so that the client is able to take appropriate action in their own life space and also to take responsibility for the consequences of their action.

Self disclosure is a powerful tool that can be used by an effective communicator but when it is used within the constraints of the therapeutic encounter it needs to be done with considerable care.

An understanding of the complexity of communication is a basic foundation within the development of an effective counselling framework. An ability to read, interpret and respond non-verbally is critical. The use of conscious use of paralinguistic signals, postures and gestures to pace a distressed client for a sense of greater emotional self-control are just some examples of skills required.

Counselling will generally use a conversational style. As Eric Berne pointed out there is plenty left if you remove the solemn face and the big words. Counsellors need not be afraid of ordinariness.

The effective counsellor requires the skills of assertiveness and the ability to confront a client when it is therapeutically appropriate.

Counsellors must be competent in their communication to be credible and must be able to self- monitor – they must have the ability to concentrate their messages so that they are immediate i.e. they relate to the here and now) and refer to concrete interpersonal issues.

He or she has an internal source of motivation and drive and seeks growth instead of external approval.

Counsellors must recognise the impact of their own personal values, attitudes and self- esteem. The effective counsellor must develop and use the ability to model his or her behaviour for the client; this is one of the most potent media for personal growth and change. This brings us to the all important question of values.

Confidentiality is the key of successful counselling. The ability to uphold a therapist-patient relationship in which you do not talk about your clients outside of your office or in a professional setting with your colleagues is required as a practicing counsellor. The American Counselling Association reminds that "clients must be able to trust the counsellor and have faith in the therapeutic relationship if growth is to occur . . . the counsellor must take care neither to threaten the therapeutic relationship nor to leave obligations unfulfilled."

The little time you spend with your client each week should allow him to feel he can express his concerns and feelings without reservation. Whether you are in school training towards your degree or you are running a private practice, you should always respect your client's privacy as if it were your own.

Empathy allows you to see the situation from the other person's view. It provides a grounding effect on the plan of action, ensuring that it is feasible and achievable from the perspectives of the employer and employee.

Counsellors achieve credibility by being honest and consistent in their statements and actions.

Counsellors take risks everyday and face rejection by their clients or face clients or situations they may not be prepared to face.

He or she is not racist and does not discriminate against others who are different from himself or herself.

He or she is not ego-centered but chooses to help others out of concern for others and not for glorification of the self.

Notes

Educational Qualifications of a Counsellor

Education and training requirements for counsellors are often very detailed in the Western countries and vary by State and specialty, but a master's degree usually is required to become a licensed counsellor. Prospective counsellors should check with State and local governments, prospective employers, and national voluntary certification organisations to determine which requirements apply.

Education and Training

Education requirements vary with the occupational specialty and State licensure and certification requirements. A master's degree usually is required to be licensed or certified as a counsellor. Counsellor education programs in colleges and universities often are found in departments of education, psychology, or human services. Fields of study may include college student affairs, elementary or secondary school counselling, education, gerontological counselling, marriage and family therapy, substance abuse or addictions counselling, rehabilitation counselling, agency or community counselling, clinical mental health counselling, career counselling, and related fields. Courses frequently are grouped into core areas, including human growth and development, social and cultural diversity, relationships, group work, career development, counselling techniques, assessment, research and program evaluation, and professional ethics and identity. In an accredited master's degree program, 48 to 60 semester hours of graduate study, including a period of supervised clinical experience in counselling, typically are required.

Some employers provide training for newly hired counsellors. Others may offer time off or tuition assistance to complete a graduate degree. Often, counsellors must participate in graduate studies, workshops, and personal studies to maintain their certificates and licenses.

The processes involved in the training of counsellors are given below:

1. Ability to explain the micro skills.
2. Demonstrate the skills involved in commencing the counselling process.
3. Evaluation of non verbal responses and minimal responses.
4. Demonstrate reflection of content, feeling.
5. Demostrate the appropriateness of both content and feeling in the counselling process.
6. Develop different questioning techniques.
7. Understand risks involved with some types of questioning.
8. Show how to use various micro skills including summarising, confrontation, and reframing.
9. Demonstrate self destructive beliefs and show methods of challenging them, including normalising.

10. Explain how counselling a client can improve their psychological well-being through making choices, overcoming psychological blocks and facilitating actions.
11. Demonstrate effective ways of terminating a counselling session and to explain ways of addressing dependency.

As for the Student Trainees

1. They have to report on an observed counselling session, simulated or real.
2. Identify the learning methods available to the trainee counsellor.
3. Demonstrate difficulties that might arise when first learning and applying micro skills.
4. Identify why trainee counsellors might be unwilling to disclose personal problems during training.
5. Identify risks that can arise for trainee counsellors not willing to disclose personal problems.
6. Discuss different approaches to modelling, as a form of counselling.
7. Evaluate verbal and non-verbal communication in an observed interview.
8. Identify the counsellor's primary role (in a generic sense).
9. Show how to use minimal responses as an important means of listening with intent.
10. Explain the importance of different types of non verbal response in the counselling procedure.
11. Report on the discussion of a minor problem with an anonymous person which that problem relates to.
12. Identify an example of paraphrasing as a minimal response to reflect feelings.
13. Discuss the use of paraphrasing in counselling.
14. Differentiate catharsis from confused thoughts and feelings.
15. Identify an example of reflecting back both content (thought) and feeling in the same phrase.
16. Demonstrate/observe varying responses to a variety of closed questions in a simulated counselling situation.
17. Demonstrate/observe varying responses to a variety of open questions in a simulated counselling situation.
18. Compare student's use of open and closed questions in a counselling situation.
19. Student should identify the main risks involved in asking too many questions.
20. Learn to explain the importance of avoiding questions beginning with 'why' in counselling.
21. Identify in observed communication (written or oral), the application of different micro skills which would be useful in counselling.

22. The student should demonstrate examples of when it would be appropriate for the counsellor to use confrontation.
23. List the chief elements of good confrontation and discuss appropriate use of confrontation, in case studies.
24. The student should show how reframing can be used to change a client's perspective on things.
25. The student must develop a method for identifying the existence of self destructive beliefs (SDB's) and identify self destructive beliefs (SDB's) amongst individuals within a group. They should be able to explain the existence of self destructive beliefs in an individual. They should be able to list methods that can be used to challenge SDB's.
26. Explain what is meant by normalising, in a case study. Be able to demonstrate precautions that should be observed when using normalising.
27. The student should be able to determine optional responses to different dilemmas and evaluate those optional responses to different dilemmas.
28. The student should develop the ability to explain how the 'circle of awareness' can be applied to assist a client, in a case study.
29. Explain why psychological blockages may arise, and demonstrate how a counsellor might help a client to overcome psychological blockages.
30. Describe the steps a counsellor would take a client through to reach a desired goal, in a case study.
31. The student should be able to identify inter dependency in observed relationships and explain why good time management is an important part of counselling.
32. The student should know the difference between terminating a session and terminating the counselling process and be able to compare the same.
33. Demonstrate dangers posed by client counsellor inter-dependency and explain how dependency can be addressed and potentially overcome. Also the student should explain any negative aspects of dependency in a case study.

The students will gain a range of skills and knowledge necessary to apply counselling concepts to a range of situations as given below:

- Family support services
- NGOs
- Government agencies
- Community Health centers
- Outreach services
- Women health centers
- Counselling young people and children.

- Issues in family therapy
- Substance abuse: alcohol and drugs counselling
- The elderly. Death and bereavement counselling
- Counselling at work

Some of skills that the students will learn in the process include Cognitive Behaviour Therapy and Counselling clients with AIDS.

Licensure

Licensure requirements differ greatly by State, occupational specialty, and work setting. Some States require school counsellors to hold a State school counselling certification and to have completed at least some graduate coursework; most require the completion of a master's degree. Some States require school counsellors to be licensed, which generally entails completing continuing education credits. Some States require public school counsellors to have both counselling and teaching certificates and to have had some teaching experience.

Counsellors working in certain settings or in a particular specialty may face different licensure requirements. For example, a career counsellor working in private practice may need a license, but a counsellor working for a college career center may not. In addition, substance abuse and behaviour disorder counsellors generally are governed by a different State agency or board than are other counsellors. The criteria for their licensure can vary greatly, and in some cases these counsellors may need only a high school diploma and certification. Those interested in entering the field must research State and specialty requirements to determine what qualifications are necessary.

In India, the Rehabilitation Council of India provides these services for licensing persons with the appropriate qualifications to serve as counsellors. The Rehabilitation Council of India (RCI) was set up as a registered society in 1986. On September, 1992 the RCI Act was encacted by Parliament and it became a Statutory on 22 June 1993. The Act was amended by Parliament in 2000 to make it more broadbased. The mandate given to RCI is to regulate and monitor services given to persons with disability, to standardise syllabi and to maintain a Central Rehabilitation Register of all qualified professionals and personnel working in the field of Rehabilitation and Special Education. The Act also prescribes punitive action against unqualified persons delivering services to persons with disability.

RCI trains master trainers, rehabilitation professionals and personnel for creating better service delivery facilities for the persons with disability. However, it does not offer any direct benefit, financial or material help to the persons with disability.

One of the main functions of the Council is to standardise the training courses for various categories of Professionals/Personnel for ensuring quality services to the people with disabilities. The Council keeps on modifying/revising the existing syllabus and adopt new training programmes incorporating new developments.

The Council has so for standardised 80 Long Term/ Short Term Training Courses, which include 11 Courses developed during the current year, with the help of respective Expert Committees constituted by the Council.

Notes

These RCI sponsored Training Courses are being adopted from time to time by various Universities/Institutions.

The persons registered with RCI shall be entitled to practice as a rehabilitation professionals/ personnel in any part of India and to recover in due course of law in respect of such practice any expenses, charges in respect of medicaments or other appliances or any fees to which he may be entitled. There are certain conditions also attached to these personnel who are working as rehabilitation professionals and these are given below:

No person, other than the rehabilitation professionals/ personnel who possess a recognised rehabilitation qualification and is enrolled on the Central Rehabilitation Register:

1. Shall hold office as rehabilitation professional or any such office (by whatever designation called) in Government or in any institution maintained by a local or other authority;
2. Shall practice as rehabilitation professional anywhere in India;
3. Shall be entitled to sign or authenticate any certificate required by any law to be signed or authenticated by a rehabilitation professional.
4. Shall be entitled to give any evidence in any court as an expert under Section 45 of the Indian Evidence Act, 1872 on any matter relating to the handicapped:

RCI is responsible for development and standardisation of training courses in the field of Disability Rehabilitation and Special Education and to update and upgrade the knowledge and skills of professionals working in different areas of disability.

The information regarding Continuing Rehabilitation Education (CRE) topics and programmes being conducted at selected RCI approved training institutions nationwide is given underneath for the Rehabilitation professionals and personnel working in disability areas, so that they can join the nearby centre to upgrade their skills.

The Council supports relevant CRE programmes with the following objectives :

To upgrade the knowledge and skills of in service and practicing Rehabilitation Professionals and Personnel already registered with the RCI u/s 19 of the RCI Act of 1992.

To update Professional knowledge of masters trainers working in the field of Rehabilitation and Special Education.

Other Qualifications

In other countries aside from India, people interested in counselling should have a strong desire to help others and should be able to inspire respect, trust, and confidence. They should be able to work independently or as part of a team. Counsellors must follow the code of ethics associated with their respective certifications and licenses. Counsellors must possess high physical and emotional energy to handle the array of problems that they address. Dealing daily with these problems can cause stress.

Certification and Advancement

Notes

In advanced countries, some counsellors elect to be certified by the National Board for Certified Counsellors, which grants a general practice credential of National Certified Counsellor. This national certification is voluntary and is distinct from State licensing. However, in some States, those who pass the national exam are exempt from taking a State certification exam. The board also offers specialty certifications in school, clinical mental health, and addiction counselling.

The Commission on Rehabilitation Counsellor Certification offers voluntary national certification for rehabilitation counsellors. Many State and local governments and other employers require rehabilitation counsellors to have this certification. To become certified, rehabilitation counsellors usually must graduate from an accredited educational program, complete an internship, and pass a written examination.

Certification requirements vary, however, according to an applicant's educational history. Employment experience, for example, is required for those with a counselling degree in a specialty other than rehabilitation. To maintain their certification, counsellors must successfully retake the certification exam or complete 100 credit hours of acceptable continuing education every 5 years.

Other counselling organisations also offer certification in particular counselling specialties. Usually, becoming certified is voluntary, but having certification may enhance one's job prospects. Prospects for advancement vary by counselling field. School counsellors can become directors or supervisors of counselling, guidance, or pupil personnel services; or, usually with further graduate education, they may become counsellor educators, counselling psychologists, or school administrators.

Some counsellors choose to work for a State's department of education. Some marriage and family therapists, especially those with doctorates in family therapy, become supervisors, teachers, researchers, or advanced clinicians in the discipline. Counsellors also may become supervisors or administrators in their agencies. Some counsellors move into research, consulting, or college teaching or go into private or group practice. Some may choose to pursue a doctoral degree to improve their chances for advancement.

Counsellor and Values

Each of us comes to the counselling encounter with a complex and hard won set of values. Both client and counsellor will hold certain principles to do with interpersonal conduct. Not only that, but counsellor and client actually have different value systems. It is important to note that anyone's value system is likely to contain inherent contradictions, that is the contradictions which if exposed can result in high levels of anxiety and the need to grow. Inevitably the counselling encounter will be dealing with the client's inability to decide between possible causes of action and this will mean that they will need to explore, and if necessary, modify their own value system.

This in turn means that if the counsellor is to be at all helpful she must be able to enter the world of the client's value system so that she is able to understand potential sources of conflict. It is imperative that the Counsellor is able to do this non judgmentally, that is, she needs to be able to entertain her own "disbeliefs" and, to the extent that she is able, to either model or suggest alternatives which will be effective as well as minimally disruptive.

If the counsellor has a sense of missionary zeal, or a desire to impose a set of beliefs other than those inherent in the skills listed above, she is likely to, at best, be ineffective and at worst highly destructive to the well being of her client. In relation to the notion that counselling is simply effective communication it should be noted that highly skilled communicators are often in the business of persuasion, such as for example Adolf Hitler was and so are sales people, politicians, and media representatives.

Effective counselling implies that the inherent values of tolerance, acceptance and respect for the individual often do not ensure effective communication. What we can say is that effective communicators are able to use many of the basic skills of counselling in order to "get their message across", but this has nothing to do with the value or otherwise of the message itself.

Both communication and counselling call upon knowledge, including an understanding of action based techniques, to promote constructive interpersonal dynamics. But this knowledge can be also used quite destructively. For clients, who are usually at their most vulnerable when attending counselling, it is imperative that counsellors use their skills in a way that protects the fragile client from further "abuse" through misuse of authority and status. Effective counsellors hold ethical values that effective communicators often do not have.

3.6 Counselling in the Indian Context

Counselling in its widest connotation existed in one form or the other from time immemorial. In all cultures the elders not only set the norms of behaviour within that culture but also counselled the youngsters to follow the norms. In India, elders especially parents and teachers thought that imparting counselling in the form of advice and guidance was one of their fundamental, and sacred duty. The often repeated adage, "Mata, Pita, Guru, Deivam" (Mother, Father, Teacher, God) reminded the youngsters not only of the agents of counselling but also of the priority as to who should impart counselling at various stages of life.

Ancient epics of India are replete with depictions of counselling. Elders were only too ready to take up the role of counsellors and youngsters sought counselling with prompt compliance. Many such incidents could be explained away as mere acts of 'giving advice'. But in most of those ancient transactions it is not difficult to see the scientific practice and ethics of modern counselling techniques. The most widely acknowledged counselling situation in the epics is that of the dialogue between Krishna and Arjuna in the battlefield of Kurukshetra. Whether this dialogue had all the characteristics of modern counselling may have to be answered by committed researchers in this area. Many, often ask questions regarding the relevance and suitability of modern counselling techniques in all cultures. Experts in this field are of the opinion that the culture of India with the above heritage is potentially oriented to the modern techniques of counselling.

Guidance and Counselling

The term guidance denotes explicit directions given by an informed person regarding any subject. An expert in career guidance can impart information regarding different career possibilities. He may also be able to tell us where the careers are open and even the possible openings at the time of consultation. In imparting such information the guidance expert can give considerable information about the career or the job, irrespective of the suitability of the client for the job. However, he has also the option to test the suitability of the client using suitable psychological test.

Counselling, on the other hand is more dynamic. It aims at the solution of clients' problems. Counselling is a much-misunderstood concept. To the laymen it is an occasion where an expert solves the problems of others. Laymen believe that the expert has ready made solutions for all the problems of human beings. On the contrary counsellors do not give solution to any problem, they only facilitate the client to such an exdent that they are able to find solution to their own problems. Thus Counselling is a process between the counsellor and the client in which solutions emerge as a joint venture of the two.

Characteristics of Counselling

1. It is a process.
2. Counselling is usually for normal people with problems.
3. It is essentially a dynamic interaction between the client and the counsellor.
4. Client is expected to be frank and forthright in his approach.
5. It is the duty of the counsellor to keep confidentiality regarding the client.
6. Counsellor is to show warmth and sympathy while listening to the client's problems.
7. Counsellor is expected to be non judgmental and non critical.
8. The relationship between the client and the counsellor is expected to be genuine.
9. Counselling usually works at the level of rapport and not at the level of transference.
10. Client's conscious motives are explored rather than the unconscious motives.

Notes

Perspectives of Counselling

The perspective of Counselling may change from counsellor to counsellor. There are differences in training, clients and settings, and even goals. But the basic perspective of counselling remains the same, through with different emphasis. The best examples are the three different definitions of counselling given by Good (1945), Pepinsky and Pepinsky (1954) and Wrenn (1951). Good defined counselling as the "...individualised and personalised assistance with personal, educational, vocational problems, in which all pertinent facts are studied and analysed, and a solution is sought, often with the assistance of Specialists, school and community resources, and personal interviews in which the counselee is taught to make his own decisions".

According to Pepinsky and Pepinsky, "Counselling is a process involving an interaction between a counsellor and a client in a private setting, worth the purpose of helping the client change his/her behaviour so that a satisfactory resolution of needs may be obtained". To Wrenn, "Counselling is a dynamic and purposeful relationship between two people in which procedures vary with the nature of students' needs, but in which there is always mutual participation by the counsellor and the student with the focus upon self-clarification and self-determination by the student". All these definitions have common base but are different in their emphasis. The difference among the three definitions stems from the fact that they have three different orientations.

Hann (1953) identifies one group as the social welfare advocates with ideographic interest. The second group is more medically oriented and the thirds group consists of people with student personnel administration and has great interest in measurement. Along with the differences it is worth noting the commonalties. Common to all these perspectives are the notions that,

1. counselling is aimed at helping people make choices and act on them,
2. counselling is a learning process, and
3. counselling enables personality development

A recent and much accepted definition is:

"Counselling denotes a professional relationship between a trained counsellor and client. This relationship is usually person-to-person, although it may sometimes involve more than two people. It is designed to help clients to understand and their self determined goals through meaningful resolution of problems of an emotional or interpersonal nature" (Burks and Stefflre, 1979).

The merit of the definition by Burks and Steffler is that it is sufficiently theoretical and at the same time reasonably operational.

Counselling is not a novel institution in India. The first counsellor was Lord Krishna himself and the Bhagawad Gita embodies the finest principles of counselling for all lands, all ages and all times. The Gita or the song celestial explains how Arjuna, whose mind was in great conflict, was helped to overcome this conflict through an insight into him. Arjuna's conflict was one of "mine and thine", that is between Sva and Para. The conflict was solved through self-understanding or through self realisation. One has to act in accordance with his Swadharma. Man should act in accordance with the demands of his situation and his duties in life. Self realisation understood in the context of Gita is not the same as what we understand by Rogerian or Existential sense. Man has to realise his inner nature, that is, his spirituality which reveals oneness with the ultimate. This helps to overcome the illusory difference between the Atma and the Parmatma. In the pursuit of the higher spirit, man is concerned with freedom, freedom to obtain self realisation. In modern times the word freedom is used in a different sense. Its connotation is limited to action, speech, religious faith as well as freedom to find its fullest expression of one's potential. In this sense of the term, we are immediately concerned with material existence and the physical world.

Indian society came to be much maligned by Varnashram dharma. The society century after century, become more rigid in its dogmatic adherence to it. There was no opportunity for social mobility. The Indian society became highly traditionalistic and conventional. The Vedic prayer lost its significance in the degeneration of the during the the colonial period in India. Freedom and independence have been substituted with dependence.

The youth in India even today is dependent on adult members for such important decisions as the choice of residence, choice of a job and choice of a marital partner to mention a few. The important sources of behaviour change namely industrialisation, urbanisation; mass media communication and the like have battered the traditional social conventions and institutions and have made several dents on them.

Counselling Compared to 19th century Western society, contemporary Indian society is more radical and provides enormous choice of opportunities for individual choice of action. The kind of counselling assistance sought for and provided in the western world is not necessarily applicable to the Indian society. However, counselling is as much needed in India as it is elsewhere in the world.

Origin of Counselling Movement in India

The origin of the counselling movement in India should be naturally traced to the beginnings of psychology in India. It was at the Mysore University in south India that the first Chair in psychology was endowed. Perhaps less than a year or so before this, the Calcutta University started a department of psychology with a lecturer as the in charge Head of the Department.

For more than two decades since then psychology did not make much of headway at the other universities in India. During the mid 1940's Patna University, started a department of psychology, closely followed by one started at the Banaras Hindu University, the Lucknow University and the others. However, much of the progress manifested in the opening of new departments came about during the 1960's. The various departments have since been preparing students for post graduate degrees in psychology with its emphasis on experimental approach.

Alongside this movement applied psychology came to be established as an independent department or section of the existing departments of psychology. The applied psychology section of the Calcutta University was established in 1938 and the department of psychological services at Patna University in 1945. However, counselling psychology or its forerunner, vocational guidance did not figure as an important service at universities where psychology was offered. First in Calcutta and later in Bombay, voluntary private agencies came to be established to provide guidance on a modest scale. In Calcutta the guidance movement became associated with David Hare training college. In Bombay, Batliboy and Mukherjee started, in 1941, a private agency known as Batliboy Vocational Guidance Bureau. The founders of this bureau who came from Calcutta had some years of experience since they worked at the Calcutta Bureau. The Batliboy bureau ran for 6 years, after which it stopped functioning. However during this period it rendered valuable service to the community. It successfully conducted for the first time, a short term orientation course in guidance for teachers. This was the forerunner of all the later training courses conducted for career masters at several places in India (Khorshed, 1963).

Counselling was recognised as an important service in India as early as 1938 when Acharya Narendra Dev committee underlined the importance of counselling and guidance in education. The guidance and counselling were considered to be new and emerging forces that were vitally important to the education system. The same vigor was not seen in the 1980'sand 1990's and interest in guidance and counselling diminished. Evidence of this decline of interest was seen in the number of research literature available for review. Despite all this, the recent past has seen a significant increase in the demand for counselling services at the national level. Counselling was also identified an essential service by the national framework curriculum in 2005 by the NCERT ((National Council for Educational Research and Training). The strongest attention for counselling has arisen from the school sector. During its 2001 National conference, the CBSE resolved that it would be mandatory for all its schools to have trained school counsellors.

Training opportunities have become available over the past few years and range from full time post graduate degree programs to certificates and diplomas. Post graduate degrees are offered by a small number of university departments of psychology, education and social work. NCERT, Government of India offers a post graduate diploma in guidance and counselling. Private organisations offer post graduate diplomas and certificates in specific branches of counselling. Certificate courses are available through distance education mode. In length these courses range from short 12 day certificate and diploma courses to full time 2 year post graduate courses. Students have the option of specialising in a specific client group. Some common specialisations are marital therapy, counselling adolescents, career counselling, and educational counselling. The better courses require students to obtain internship experiences in organisations that deliver counselling services. In addition to facing a written examination, a common requirement is for students to submit detailed case reports of a prescribed number of clients they have seen.

The nature and scope of counselling itself remains poorly articulated. At present there is no licensing system for counsellors as anyone can become a counsellor and there is no system to monitor the skills in a systematic manner.

A recent evaluation of the cultural sensitivity of existing curricula revealed that very little has emerged in terms of Indian models of counselling (Arulmani, 2007). The attempt seems to have been to adopt western concepts with little or no consideration for "discovering" new approaches and validating them for the Indian situation. On a more positive note, an emerging trend is a gradual move towards more varied approaches to counselling. Although these courses are few and far between, they have suitable valuable training objectives to sensitize learners to the possibilities and availability of alternate methods of healing with focus on indigenous and culturally accepted and practiced therapeutic methods.

Access to counselling service is a matter of great concern. A survey by Arulmani & Nag, 2006, conducted in 12 different Indian regions revealed that less than 10% of this sample has access to any form of counselling. There is also a lack of clarity regarding the role of a counsellor. Referrals to counsellors cover the entire gamut of mental needs, ranging from severe psychotic problems to issues such as parenting concerns, childhood disorders, adolescent difficulties and reproductive health (including HIV/AIDS issues). Marital discord, interpersonal problems, scholastic and educational difficulties, stress mediated disorders, substance abuse, counselling for career development, and questions about sexual orientation are other kinds of referrals a counsellor might receive.

3.7 Changing India and Role of the Counsellor

Finally, the need for counselling in modern India manifests itself against the background of social change, the nature and pace of which are indeed unprecedented. A decade of economic reforms has pushed India towards becoming one of world's fastest growing economies. This in turn has given counselling a new look. The effect of rapid globalising of the world, is increasingly coming under the control of free market economy, has also arrived at the doorsteps of Indian counsellor. Economically empowered women for instance, no longer need to silently accept abuse and disregard. Age old values are being questioned. The belief that marriage is a lifetime commitment, for better or for worse is no longer unshakable as it was before. The marital discord is on the increase, as are divorce rates. The Indian middle class student is typically required to put in almost 16 hours of study a day to bear the competition and win a seat in the course leading to a degree in engineering or medicine. Counsellors are repeatedly presented with young people who are forced to choose careers that are popular and "in demand" but who soon discovered that their real interests and talents lay elsewhere. Increasing number of young workers show wavering motivation and want a career shift within the first year of working. Aggression and violence being fed by resentment are increasingly obtained in the Indian society. These are all complexities a counsellor practicing in India is seeing and facing these days.

3.8 Counselling Approaches

The approaches of counselling are:

1. **Cognitive Approach:** We define this as any therapy that is based on the belief that our thoughts are directly connected to how we feel. The cognitive therapies include Rational-Emotive, Cognitive-Behavioural, Reality, and Transactional Analysis.

   Therapists in the cognitive field work with clients to solve present day problems by helping them to identify distorted thinking that causes emotional discomfort. There's little emphasis on the historical root of a problem. Rather, what's wrong with my present thinking that it is causing distress.

   Common traits among the cognitive approaches include a collaborative relationship between client and therapist, homework between sessions, and the tendency to be of short duration. These therapies are best known for treating mild depression, anxiety, and anger problems.

2. **Behavioural Approach:** This is based on the premise that primary learning comes from experience. The initial concern in therapy is to help the client analyse behaviour, define problems, and select goals.

   Therapy often includes homework, behavioural experiments, role playing, assertiveness training, and self management training. Like its cognitive therapy cousins it utilises collaboration between client and therapist, and is usually of short duration.

3. **Psychoanalytic Approach:** The original so called "talking therapy" involves analysing the root causes of behaviour and feelings by exploring the unconscious mind and the conscious mind's relation to it. Many theories and therapies have evolved from the original Freudian psychoanalysis which utilises free association, dreams, and transference, as well as other strategies to help the client know the function of their own minds. Traditional analysts have their clients lie on a couch as the therapist takes notes and interprets the client's thoughts, etc.

   Many theories and therapies have evolved from the original psychoanalysis, including Hypnotherapy, object relations, Progoff's Intensive Journal Therapy, Jungian psychoanalytic therapy and many others.

One thing they all have in common is that they deal with unconscious motivation. Usually the duration of therapy is long though many modern therapists use psychoanalytic techniques for short term therapies.

3.9 Primal Psychotherapy

Adlerian Therapy

Named after its founder, Alfred Adler, it is also called individual psychology. Considered the first "common sense" therapy, the basic premise is that human beings are always "becoming," that we're always moving toward the future, and our concerns are geared toward our subjective goals rather than an objective Counselling past. We are constantly aiming towards what Adler calls superiority. When we have unrealistic or unattainable goals, this can lead to self-defeating behaviours and discouragement which may foster neurosis, psychosis, substance abuse, criminal behaviour, or suicide.

The role of the therapist is to help the client identify mistaken goals, and to help the client do away with self-centeredness, egotism, and isolation, and to develop positive, meaningful interpersonal relationships.

Generally in a long term therapy, the sessions involve the therapist listening and questioning towards the goal of knowing the client as fully as possible, so that the therapist can provide to the client feedback regarding the faulty objectives and behaviours of the client.

Person Centered (Rogerian) Therapy

Founded by Carl Rogers in the 1940's, like Adlerian therapy, a basic premise is that we are all "becoming;" we are all moving towards self actualisation. Rogers believed that each of us has the innate ability to reach our full potential. As infants we are born with it, but because of early experiences, we may lose our connection to it. The self concept we develop in response to our early experiences may tend to alienate us from our true self. In this theory there is no such thing as mental illness. It is just a matter of being disconnected from our self potential.

This therapy is often considered the most optimistic approach to human potential. This often lengthy therapy is based on developing the client therapist relationship. The therapist is to provide the conditions necessary for the client's growth, that is genuineness, unconditional positive regard, and empathic understanding. To be genuine the therapist must strive to be transparent, open, willing to express at opportune times their own identity in the relationship. There is no hiding behind expertise or degrees. Therapists must be constantly doing their own inventory.

Unconditional positive regard is synonymous with acceptance and appreciation of the client who has approached the counsellor for help. Empathic understanding is based on the therapist's ability to see the world through the client's eyes, to move into the client's world at the deepest levels and experience what the client feels. If the process works, the client moves back toward self actualisation.

Notes

Gestalt Therapy

This term was first used as the title of a book in 1951, written by Fritz Perls, et.al. The therapy did not become well known until the late 1960's. "Gestalt," a German word meaning "whole," operates as a therapy by keeping the person in what is known as the here and now. Therapists help clients to be attentive to all parts of themselves, that is posture, breathing, methods of movement, etc. Unresolved conflicts are worked out in the therapy session as if they are happening in that moment. An emphasis is placed on personal responsibility for one's own well being through being as aware as possible at all times of one's interactions with the environment.

This is usually a lengthy therapy which is accomplished by the therapist asking questions and suggesting experiments which will increase the awareness and sensitivity of the client to the many parts of the client's total self.

3.10 Brief Therapies

While most therapy approaches have developed short term versions (often in response to the demands of managed care), one specific model is called Solution focused brief therapy. This short term work is based on

1. Focusing on solutions instead of problems
2. Exceptions suggest solutions, i.e. "We fight all the time." "Think of a time recently when you weren't fighting".
3. Change is occurring all the time.
4. Small changing leads to large changing.
5. Cooperation is inevitable between therapist and client.
6. People have all they need to solve their problems.

The premise is that if one does a step by step process, following these and six other assumptions, the client can find quick solutions to whatever may be facing them. Like the cognitive behavioural therapies, this is short term therapy and usually involves homework and clearly defined goals.

While Solution focused therapy is aimed at short term interventions, it can be successfully used over a longer period.

Not every counselling client is ready to move on in 3 - 8 sessions, it is perfectly feasible to follow the aims of solution focused therapy, on a multitude of issues over many sessions.

For instance, working with a client around their substance misuse issues, the client may well attain their goal of reduction or abstinence, but may need longer term work around regaining self esteem, getting a job/education, re-establishing family links etc.

As the counsellor/client relationship develops (leaning toward the person centered), the client may become more and more accustomed to the counsellors use of solution focused techniques; the client may adapt techniques for him/herself, i.e.: "Give a hungry man a fish and he eats today, but teach him to fish, and he eats for a lifetime".

Notes

3.11 Eclectic Approach

When therapists are asked their theoretical orientation, this is the answer most often given. This is essentially a common sense approach to helping people by tailoring the therapy to the needs of the individual client.

While this seems like a good idea, there is so much to know to become an adequate therapist in any one of the schools, that it is unlikely that any practitioner knows enough to utilise and integrate the vast complexities of the many theories of therapy.

Instead, if one looks just below the surface, there is probably a primary therapeutic orientation that is simply not strictly adhered to by the therapist. For instance, the therapist may start out as a person centered therapist, but may have found a way to add cognitive or reality therapy techniques to their personal approach. It's probably a good idea to check this out with the therapist.

3.12 Counselling Therapies

When deciding on an appropriate counsellor or psychotherapist, it can be useful to understand the different therapies they may use. Although all can be effective, you may find one approach more appealing than another, or find that some approaches are better for a certain area of counselling or psychotherapy than others.

Psychological therapies generally fall into three categories. These are behavioural therapies, which focus on cognitions and behaviours, psychoanalytical and psychodynamic therapies, which focus on the unconscious relationship patterns that evolved from childhood, and humanistic therapies, which focus on self development in the 'here and now' situation.

This is a generalisation though and counselling or psychotherapy usually overlaps some of these techniques. Some counsellors or psychotherapists practice a form of 'integrative' therapy, which means they draw on and blend specific types of techniques. Other practitioners work in an 'eclectic' way, which means they take elements of several different models and combine them when working with clients.

Cognitive and Behavioural Therapies

Behavioural Therapies are based on the way you think (cognitive) and/or the way you behave. These therapies recognise that it is possible to change, or recondition, our thoughts or behaviour to overcome specific problems.

1. **Behavioural Therapy:** Behavioural Therapy focuses on an individual's learnt, or conditioned, behaviour and how this can be changed. The approach assumes that if a behaviour can be learnt, then it can be unlearnt (or reconditioned) so is useful for dealing with issues such as phobias or addictions.
2. **Cognitive Therapy:** Cognitive Therapy deals with thoughts and perceptions, and how these can affect feelings and behaviour. By reassessing negative thoughts an individual can learn more flexible, positive ways of thinking, which can ultimately affect their feelings and behaviour towards those thoughts.
3. **Cognitive Behavioural Therapy (CBT):** Cognitive Behavioural Therapy (CBT) combines cognitive and behavioural therapies. The approach focuses on thoughts, emotions, physical feelings and actions, and teaches clients how each one can have an affect on the other. CBT is useful for dealing with a number of issues, including depression, anxiety and phobias.

Psychoanalytical and Psychodynamic Therapies

Psychoanalytical and psychodynamic therapies are based on an individual's unconscious thoughts and perceptions that have developed throughout their childhood, and how these affect their current behaviour and thoughts.

1. **Psychoanalysis:** Psychoanalysis was developed by Sigmund Freud and focuses on an individual's unconscious, deep-rooted thoughts that often stem from childhood. Through free associations, dreams or fantasies, clients can learn how to interpret deeply buried memories or experiences that may be causing them distress.
2. **Psychoanalytic Therapy:** Based on Psychoanalysis, Psychoanalytic Therapy also focuses on how an individual's unconscious thoughts are influencing them. However, Psychoanalytic Therapy is usually less intensive than Psychoanalysis.
3. **Psychodynamic Therapy:** Psychodynamic Therapy evolved from Psychoanalytic Therapy and seeks to discover how unconscious thoughts affect current behaviour. Psychodynamic Therapy usually focuses on more immediate problems and attempts to provide a quicker solution.

Humanistic Therapies

Humanistic Therapies focus on self development, growth and responsibilities. They seek to help individuals recognise their strengths, creativity and choice in the 'here and now'.

1. **Person-Centered Counselling (also known as "Client-Centered" or Rogerian" counselling):** Person-Centered Counselling focuses on an individual's self worth and values. Being valued as a person, without being judged, can help an individual to accept who they are, and reconnect with themselves.
2. **Gestalt Therapy:** Gestalt Therapy can be roughly translated to 'whole' and focuses on the whole of an individual's experience, including their thoughts, feelings and

actions. Gaining self-awareness in the 'here and now' is a key aspect of Gestalt Therapy.

3. **Transactional Analysis:** Transactional Analysis is based on the theory that we each have three ego states: Parent, Adult and Child. By recognising egostates, Transactional Analysis attempts to identify how individuals communicate, and how this can be changed.
4. **Transpersonal Psychology and Psycho-synthesis:** Transpersonal Psychology means "beyond the personal" and seeks to discover the person who transcends an individual's body, age, appearance, culture etc. Psycho synthesis aims to discover a higher, spiritual level of consciousness.

Existential Therapy

Existential Therapy focuses on exploring the meaning of certain issues through a philosophical perspective, instead of a technique-based approach.

3.13 Counselling in India: Its Relevance and Suitability

Indian scholars have consistently pointed out that modern western psychotherapy and counselling have had a failure on Indian soil as the development of India has been a largely Euro-American enterprise. Historically, psychology in the west actively distinguishes itself from theology and metaphysics, separated itself from its earlier preoccupation with the soul, and oriented itself instead to the study of human behaviour. It committed itself to logical positivism and chose as its tool the inductive process of logical scientific reasoning.

The discipline of psychology emerged from this framework in direct response to psychological needs that had their roots in western socio cultural milieu. This continues to be the ethos that is founded on materialist individualism: a culture that celebrates the individual's freedom for self determinism.

The notion of cultural preparedness is critical here. The methods of counselling that emerged in the west were created by members of a particular culture in response to needs expressed from within this culture. The approaches in effect were developed by a people and for a people with certain cultural orientations.

One of the reasons for the success of these approaches could be that both the creators of the service and the consumers of the service had been culturally prepared in a very similar manner to offer and partake of the service. They share a similar vocabulary of values and cherish a particular approach to life. A counselling approach that is empirical and individualistic in its orientation, for example, may not find resonance amongst Indians, whose culture has prepared them from over the ages to approach their existence in an intuitive, experimental and community oriented manner. To flourish in the contemporary globalised context, counselling cannot be viewed only solely or even primarily as a western specialty (Savikas, 2007).

Contemporary India

Contemporary India evokes images of a booming technology industry and an economy that is growing at an unprecedented rate. Economic development has triggered tremendous social change. The need for counselling in contemporary India manifests within a social, cultural and economic ethos that this country has not faced before.

Implications for Counselling

Cultural preparedness

Religion and spirituality: Religion and spirituality is the foremost representation of cultural preparedness in the Indian context. The first step for which the Indian culturally is to seek, in times of distress, the emotional ties offered through religion and representatives of religion. The implications of this aspect of cultural preparedness are profound for the development of a relevant counselling strategy. The common western understanding that these traditional approaches are primitive and unscientific reflects a suspicion of methods that are culturally alien. The loyalty of the masses to these methods has been routinely attributed to ignorance and lack of knowledge.

Some scholars, have however, attempted to draw a balance and argue that it is the scientists who are not able to transcend boundaries of their education to examine these alternate methods with equanimity. Others have pointed that these are ancient practices filtered over hundreds of years from the collective experience of the community, that in fact have a high degree of efficacy at the practical and everyday level (Kakar, 2003).

Holistic conception of life: Traditional Indian approaches of healing focus on the person as a whole. This would include the physical being as well as the individual's mind, emotions, beliefs, spiritual inclinations, occupational status and all other aspects of his or her existence. It would also include the nature of the individual's linkages with society and the relationship to which he or she is bound.

Ayurveda, the ancient traditional Indian medicine provides detailed descriptions of how emotions are linked to physical illnesses and how health is the function of maintaining the correct balance between the individuals self and the aspects of his or her social interactions (Das, 1974). In the Indian context, an approach to counselling that separates mind from body and individual from family would most likely fail to address the felt need.

Determinism: The philosophic constructs of Karma and Samsara are often described as fatalistic approach to life. The proposition is that the present is determined by past actions could evoke a sense of inevitability. The concept of Karma and Samsara do not negate the concept of free will. The exercise of effort in the present is linked to the future gain and development. Accordingly, the quality of future life could be influenced and shaped by the manner in which one lives one's present life.

This emphasis on personal responsibility offers a valuable pointer to counselling techniques that draw on the client's cultural preparedness.

Changing Trends in Counselling

Notes

Duncan, Hubble and Miller (The Heart and Soul of Change) show that the single most important factor of change in counselling is the strength of the therapeutic alliance (30 percent). Other key issues are extra therapeutic factors (40 percent), which are the stage of readiness of change of the client and the setting to which the client returns. Hope and expectancy accounts for 15 percent of change and only 15 percent of change can be attributed to technique.

Thus counsellors who have been practicing cognitive behavioural approaches, DBT, EMDR, etc., have to understand that if they want to be more effective counsellors, they have to focus on their rapport with the client and what the client wants and needs. The single most important question a counsellor can ask a client is, "What do you want, and how can I help you get there?"

The counsellor must learn the stages of change. They do not look for motivated clients. The reality is that all clients are motivated, by something. Your task is to find out what motivates them. They have to learn to treat the whole person rather than any specific problem or issue.

3.14 The Process of Counselling

In process of counselling, the goal is established by the client. He is encouraged and assisted by the counsellor to be as specific about the goal as possible. The more specific the goal, the easier the process. Since humans are generally considered to be goal oriented, the more specific the goal, the more likely the client and the counsellor will keep themselves on the path to that goal. The client narrates their experiences and problems and thus create a focus on their fear and their goal in order to assist their mind to assist them. It is also of value to the counsellor to guide them in identifying their fears and apprehensions. In the process of identifying the fear the counsellor offers some alternatives while attempting to avoid interfering in the clients decision.

Some of the fears are:

- a fear of abandonment,
- a fear of rejection,
- a fear of not being enough

Counselling Process

Counselling can help client learn to make better decisions. It can help improve personal skills, develop greater confidence in the person's academic or work performance, define career directions and acquire a keener awareness and appreciation of the client's needs and those of other people. With counselling, clients can improve their communication with a special person, establish more meaningful relationships, or cope more effectively with feelings of depression or anxiety. Any personal, academic, or career concern may be explored in counselling.

Notes

During counselling, the client will be helped to clarify feelings and needs. The client and the counsellor will work together to define realistic goals and explore available options. As the client discovers ways to make changes, he will be better able to direct his choices. Counselling is an active process, both during sessions and outside of counselling, as the client implements new skills and insights. Depending upon the intensity of concern(s), and level of involvement in making needed changes, clients are generally able to resolve difficulties in four to eight counselling sessions.

The client's personal commitment to helping him or herself is crucial to an effective counselling process. Counsellors can help the clients only if they are willing to receive help, attend scheduled sessions, and engage in new ways of thinking and acting outside of the counselling setting.

Counselling is a process with a beginning, a middle and an end, where the counsellor facilitates an individual to consider the aspects of their life they wish to change.

The whole idea is to enable the client to explore a difficulty or distress which they may be experiencing, assisted by the counsellor whose main role is to facilitate the client to make his or her own decisions on how to proceed. It is not an environment where the counsellor will say what has to be done or even give advice. However, through this process the counsellor will endeavour to guide the client from feeling a victim of circumstances to feeling that they have more control over their life.

There are different models of counselling, differing routes or tools to enable the client to change. Transactional Analysis (TA) is a model for understanding personality, relationships and communication. In TA counselling, people talk about their Parent, Adult and Child. These are distinctive parts of us all, available and necessary for living as a whole, integrated person. TA holds that everyone has intrinsic dignity and worth; they are 'OK'. Everyone has the capacity to think. There is a commitment to change, to making decisions and taking personal responsibility for personal outcome.

Clarifying the problem and the desired change encourages the person to decide how they wish to be. Often unpacking one problem may reveal its connection to another. When people start the process of counselling they begin to experience the recurring patterns in their lives, to identify their negative feelings and how they play games and thereby limit themselves. A decision to make positive change is a further step. Someone may know what their goal is, but they have to decide to take positive action to achieve that goal.

The Counsellor offers support and facilitation on the basis that the client has decided what he or she feels.

Steps in Counselling Process

The basic steps of counselling involve people in:

- gaining recognition for their skills and experience
- being confronted, from a caring position, by the ways they used to discount themselves and others
- re-experiencing, in the present, any relevant events from the past. This can help them to obtain emotional release from feelings or beliefs to which they may be clinging, that are stopping them from meeting their immediate needs.

Emphasis is given to feelings and thoughts, as stimuli for action and change. Support, challenge and practice are essential to enable all these steps to be achieved.

Counselling may comprise a few sessions, or it may take longer, but it does not go on for ever. In the end, the clients are helped to find the tools to enable them to think, feel and behave in the way they desire.

Stages of Counselling Process

Effective leaders use the counselling process. It consists of four stages:

- Identify the need for counselling.
- Prepare for counselling.
- Conduct counselling.
- Follow up.

Counselling is a process that focuses on enhancing the psychological well being of the client, such that the client is then able to reach their full potential. This is achieved by the counsellor facilitating the client's personal growth, development, and self understanding, which in turn empowers the client to adopt more constructive life practices.

Counselling may be helpful in a number of ways. It can enable the client to develop a clearer understanding of his or her concerns and help the client acquire new skills to better manage personal and educational issues. The counsellor can offer a different perspective and help the client to think of creative solutions to problems. For the client, sharing his thoughts and feelings with someone not personally involved in his life can be most helpful.

The counsellor treats all the information that the clients share as confidential material. The counsellors are involved in case consultations and supervision for the purposes of best practice. These meetings involve discussion of clients concerns with the aim of formulating the best possible assessment and intervention plan. Where possible, the identifying personal information is removed from the discussion.

Counselling Process Followed by Counsellors

The counselling process will depend on the individual counsellor, the individual client and the specific issue. However, there is a general counselling process that the counsellors will follow:

1. Background information collection
2. Identification of core issues
3. Case formulation
4. Goal setting for the therapeutic process
5. Implementation of intervention
6. Evaluation of intervention
7. Closure

Prior to the initial interview, reception staff will ask the client to complete a personal data sheet. During the initial interview, the counsellor will discuss the client's concerns with him and explore with him the alternative services if indicated. By the end of the initial interview the client and the counsellor may decide on one of the following options:

- no further counselling is required at this time, if during the initial interview the client has been able to clarify his concerns and plan and appropriate course of action.
- further appointments are needed to continue to explore the issues before reaching a decision. A second appointment will be made with the client either by the counsellor or by reception.
- alternative services are appropriate and the counsellor will assist the client to identify specific resources to consider and pursue.

Counsellors work from differing theoretical approaches. Different counsellors will place varying levels of emphasis on behaviour, on thinking and/or on emotional aspects. All counsellors have the central goal to assist the client in increasing his or her sense of well being.

Change does not happen quickly for most of us. The length of treatment depends on a number of variables. Variables include:

- the severity of the problem,
- the motivation of the client,
- the type of problem and
- the age of the client.
- The more focused and limited the problem being addressed, the shorter treatment can be.
- The more the treatment addresses healing emotional injuries, the longer it is likely to take.

If the client feels dissatisfied with any aspect of the Counselling Services, they are encouraged to discuss their concerns with the Senior Counsellor.

Procedure in the Counselling Process

1. Establish a safe, trusting environment

2. Help the person put their concern into words.
3. Active listening: find out the client's agenda
   a) paraphrase, summarize, reflect, interpret
   b) focus on feelings, not events
4. Transform problem statements into goal statements.
5. Explore possible approaches to goal
6. Help person choose one way towards goal
7. Make a contract to fulfill the plan (or to take the next step)
8. Summarize what has occurred, clarify, get verification
9. Get feedback and confirmation

In general, a counsellor will listen to the client without butting in or imposing their own values and beliefs on him or her. They will give the client the needed space to explore their thoughts, feelings, or behaviour, whatever they are. People can find it helpful just to have their concerns taken seriously.

The counsellor may also employ a variety of techniques to help the clients understand their feelings. For instance, the counsellor may ask questions designed to reflect back to the clients their thought processes and to help them make sense of their feelings. The client thus might explore and implement changes in the way he or she does things, and then can go on to enhance his life or his relationship.

Counselling is a process guided by theory. Process can refer to what the counsellor does with the client as well as how change occurs within the client. The process of counselling develops in definable stages with recognisable transitions. There is a natural progression that takes place within the context of the helping relationship. This process enables the counsellor and the client to build a relationship, assess the situation, set goals and come up with a plan to bring about the desired results. This progression is known as the counselling process.

The process of counselling is dynamic in nature. The effectiveness of counselling ultimately depends upon how the process of counselling happens. It can be said to start with rapport establishment, then progress through problem identification, goal setting, intervention and then finally follow up.

Broadly, three major stages in the process can be described as follows:

1. Developing a relationship
2. Working in a relationship and
3. Terminating a relationship

Each stage has its own universal qualities and problems associated with it. Counsellors must be aware of the problems involved in the process of counselling. Now let us discuss each stage in the process of counselling.

Developing a Relationship

Building a relationship, the first stage in the process of counselling, is a continuous process. It begins by having the counsellor win the battle for structure and client win the battle for initiative. In such situations both parties are winners. The client wins by becoming more informed about the nature of counselling and learning what to expect. The counsellor wins by creating an atmosphere where the client is comfortable about sharing thoughts and feelings.

In order to develop positive helping relationships with the client, the counsellor has to connect with them. This can only happen when they are made to feel like the counsellor genuinely care about the clients well being and that the counsellor understands why the clients are coming and the causes thereof. It is about behaving and demonstrating the core conditions of genuineness, respect and empathy. To develop solid relationships, the counsellor needs to create a safe environment where they will feel comfortable enough to open up and talk to the counsellor about anything that is on their minds. The counsellor also needs to help them see that despite their circumstances they have strengths.

Early stages of the counselling relationship afford the chance to build counsellor understanding of client and issues faced. The counsellor is advised to use listening skills and attend to non verbal communication. The counsellor should not be judgmental in his decisions and jump to conclusions immediately. Certain tasks to be taken care of by the counsellors are:

- Laying foundations for trust
- Establishing the structure and form the relationship will take
- Informed consent process
- Articulating roles of counsellor and client and developing a collaborative working alliance
- The "getting to know you" phase is the most critical stage of the relationship.

The counsellor should work on the following things during this stage:

1. Developing Rapport and Building Trust
2. Create core conditions necessary for counselling

1. Developing Rapport and Building Trust

(i) **Predictability and consistency:** During the first stage of the relationship, it is critical to be both predictable and consistent. If the counsellor schedules an appointment to meet the client at a certain time, it's important to keep it. It is understandable that at times things come up and appointments cannot be kept. Consistency is the key to speed up the trust building process.

(ii) **Testing:** Young people generally do not trust adults. As a result, they use testing as a coping or defense mechanism to determine whether they can trust the counsellor. They will test to see if the counsellor really cares about them. A client might test the counsellor by not reaching for a scheduled meeting to see how the counsellor will react.

(iii) **Establish confidentiality:** During the first stage of the relationship, it is important to establish confidentiality with one's client. This helps in developing trust. The counsellor should let the client know that whatever he or she wants to share with the counsellor will remain confidential, as long as (and it's important to stress this point) what the client tells the counsellor is not going to harm the client or someone else. It's helpful to stress this up front, within the first meetings with the client. Later on if the counsellor needs to break the confidence because the information the client shared was going to harm him or her or someone else, the client will not feel betrayed.

(iv) **Goal setting (transitions into Stage 2):** It is helpful during Stage 1 to take the time to set at least one achievable goal together for the relationship. What do the client and counsellor want to get out of this relationship? It is also good to help the client set personal goals. Sometimes the client does not know how to set goals, and this will provide them with the opportunity to set goals and work toward achieving them.

2. **Core Conditions Necessary for Successful Counselling**

Rogers (1957) originally proposed core conditions needed in building a relationship:

(i) **Empathetic understanding:** Empathy promotes rapport and relationship.

(ii) **Unconditional positive regard:** Considering Client as person of worth, and is separate from actions.

(iii) **Congruence:** Showing Genuine self in client interaction

Carkuff (1969) adds to these…

(i) **Respect:** It strengthens the focus.

(ii) **Confrontation:** It promotes realistic and accurate view.

(iii) **Immediacy:** Consideration of problem with Here and Now attitude.

(iv) **Concreteness:** Paying attention on what is practical in the process.

(v) **Self disclosure:** Promoting positive perception and appropriate focus in counselling relationship.

Working in a Relationship

The successful outcome of any counselling process depends on a working alliance between counsellor and the client. This occurs after clients and counsellors have established a relationship and explored possible goals towards which to work. Once trust has been established, the relationship moves into Stage 2. These phases are facilitated by mutual interaction between the individuals involved. The counsellor can help the client by appropriate leads, challenges to perception, multi focused responding, accurate empathy, self disclosure, immediacy, confrontation, contacts and rehearsal.

1. **Changing Perceptions:** Clients often come to counsellor as a last resort when they think that situation is not only serious but hopeless. Counsellors can help clients change their distorted or unrealistic perceptions by offering them an opportunity to explore thoughts within a safe, accepting and in a non judgmental atmosphere. Perceptions commonly change through the process of reframing which offers the client another probable and positive viewpoint of what a situation is or why an event might have happened.
2. **Leading:** Changing client's perceptions requires a high degree of persuasive skill and some direction from the counsellor. Such input is known as leading.
3. **Accurate Empathy:** Use of empathy is one of the most vital elements in the counselling. Empathy is the counsellor's ability to experience the client's world as if it were your own without ever using the quality.

   Two Components of Empathy are:

   (a) **Empathic rapport:** This refers to accurately sensing and being able to see the client's world the way they do.

   (b) **Communicative attunement:** This refers to verbally sharing one's understanding with the client.

   There are two types of Empathy:

   (i) **Primary empathy:** The ability to respond in such a way that is apparent to both client and counsellor that the counsellor has understood the client's major themes.

   (ii) **Advanced empathy:** It is a process of helping a client explore themes, issues and emotions new to his or her awareness.
4. **Self Disclosure:** Self disclosure is an important way to let clients know the counsellor as a person. Self disclosure at a moderate level is seen more positively by clients than disclosure at a high or low level (Edwards & Murdock, 1994). In moderation, it is helpful for the counsellor to disclose facts about himself, if it serves the needs of the session / client.

   Self disclosure takes the following forms:

   - The counsellor's own problems
   - Facts about the counsellor's role
   - The counsellor's reactions to the client (feedback)
   - The counsellor's reactions to the counsellor-client relationship
5. **Positive Regard:** Client revelations must be protected from counsellor's "personal reactions," especially rejection or disdain. The counsellors should express appreciation of the client as a unique and worthwhile person and embrace the client's ethnic self as well as other experiences that have shaped the client's worldview.

Notes

6. **Responding Styles:** Counselling is often perceived as just focusing on feelings but it is not true. While counselling helps people work through feelings, how one responds and communicates with others will affect how the counsellor responds to the client.

   There are different Responding Styles of the clients;

   1. Affective Responding. This focuses on feelings;
   2. Behavioural Responding. This focuses on actions and behaviours;
   3. Cognitive Response. This focusses on thoughts and cognitions. The counsellor will balance these throughout the session with a client.

7. **Immediacy:** This involves a counsellor's understanding and communicating of what is going on between the counsellor and client within the helping relationship.

   There are 2 types of immediacy

   1. Relationship immediacy. (Between client & counsellor);
   2. "Here & Now" immediacy focuses on some particular event in the session.

8. **Humor:** Humor can have a positive effect on the counselling process when used properly. It must be used with sensitivity and timing. It does not demean and is supportive. A session is not a time to try out a new joke heard at lunch.
9. **Confrontation:** This is not skill at putting the client down for doing something wrong. This is an invitation to the client to look more closely at behaviour that is not working or interfering with growth, change, or healthy functioning.
10. **Transference and Counter-transference:** A concept as old as Freud, transference and counter-transference are issues that affect all forms of counselling, guidance, and psychotherapy.

Transference: This is the client's projection of past or present feelings, attitudes, or desires onto the counsellor. It can be direct or indirect and will cause the client to react to the counsellor as they would in the past or present relationship.

Counter-transference: This is the counsellor's projected emotional reaction to or behaviour towards the client. It can take on many forms, from a desire to please the client, to wanting to develop a social or sexual relationship with the client. When this happens, supervision or counselling for the counsellor is called for.

Terminating a Relationship

Termination is an important, though often misunderstood phase of counselling. This is often ignored or taken for granted. Yet successful termination is vital for the well being of client as well as counsellor. Termination is the end of the professional relationship with the client when the session goals have been met. It is a phase of counselling that can determine the success of all previous phases and must be handled skillfully. A formal termination serves three functions:

- Counselling is finished and it is time for the client to face their life challenges.
- Changes which have taken place have generalised into the normal behaviour of the client.
- The client has matured and thinks and acts more effectively and independently.

Notes

Timing of Termination

There is no one answer when termination is to take place. Questions the counsellor may wish to ask concerning termination include:

- Have clients achieved behavioural, cognitive, or affective goals?
- Can clients concretely show where they have made progress in what they wanted to accomplish?
- Is the counselling relationship helpful?
- Has the context of the initial counselling arrangements changed?

Resistance to Termination

Clients and Counsellors may not want counselling to end. In many cases this may be the result of feelings about the loss and grief or insecurities of losing the relationship. For clients, this is something to process. For counsellors, this is an issue for supervision.

Premature Termination

Client

Many clients may end counselling before all goals are completed. This can be seen by not making appointments, resisting new appointments etc. It is a good idea to try and schedule a termination/review session with the client so closure may take place. At this time a referral may be in order.

Counsellors

At times, counsellors have to end counselling prematurely. Whatever the reason for the termination, a summary session is in order and referrals are made, if appropriate, to another counsellor.

Referrals

At times, a counsellor needs to make a referral. When this is done, specific issues need to be addressed with the client.

Reasons for the referrals

Note specific behaviours or actions which brought the need for a referral.

Have the names of several other counsellors ready for referral.

It is important to remember that the counsellor cannot follow up with the new counsellor to see if the client followed through (Confidentiality issue).

Follow Up

At times, a follow-up may be scheduled for various reasons including evaluation, research, or checking with client. It needs to be scheduled so as to not take the responsibility of change away from the client.

3.15 Factors Influencing Counselling Process

The counselling process is influenced by several factors. The counsellor need to know these so that he can help it becto make the counselling time a productive one both for the client and counsellor. The major factors which influence the counselling process are as follows.

Structure

Structure in counselling is defined as the "joint understanding between the counsellor and client regarding the characteristics, conditions, procedures, and parameters of counselling" (Day & Sparacio, 1980, p.246). It helps in clarify the counsellor client relationship and give it direction. It protects the rights, roles and obligations of both counsellors and clients and ensure the success of counselling.

Structure gives form to what the formal process will look like. Practical guidelines are part of building structure. They include time limit of the session, action limits for the prevention of destructive behaviour, role limits and procedural limits. Counselling moves forward when client and counsellor know the boundaries of the relationship and what is expected.

Structure is provided throughout all stages of counselling but is especially important at the beginning. Its importance is most obvious when the client arrives for counselling with unrealistic expectations or with no idea what to expect. Counsellors need to stay flexible and continually negotiate the nature of structure with their clients.

Initiative

Initiative can be thought of as the motivation to change. Majority of the clients who visit the counsellors are reluctant to some degree. Such clients lack initiative. Some counsellors become impatient, irritated and insensitive and may ultimately give up trying to work with such clients. Many counsellors end up blaming either themselves or their clients. A role reversal exercise can help the counsellor to understand the mental state of the involuntary, reluctant and resistant client.

A reluctant client is one who has been referred by the third party and is frequently unmotivated to seek help. They do not wish to be in counselling. Many reluctant clients terminate counselling pre maturely and report dissatisfaction with the process.

A resistant client is one who is unwilling or opposed to change. Such an individual may actively seek counselling but does not wish to go through the pain that change demands.

There are several ways in which counsellors can help clients to win the battle for initiative and achieve success in counselling. One way is to anticipate the anger, frustration and defensiveness that some clients display. A second way is to show acceptance, patience, and understanding as well as non judgmental attitude. A third way is to use persuasion and the fourth way is through confrontation.

Setting

Counselling can happen anywhere, but some physical settings promote the process better than others. Among the most important factors that help or hurt the process is the place where the counselling occurs. The room should be comfortable and attractive with soft lighting, quiet colors, an absence of clutter, and harmonious and comfortable furniture. The professional generally works in a place that provides Privacy, Confidentiality, Quiet and Comfort. When working with a client, youthe counsellor must want to send a message that he is listening. This can be done by being attentive both verbally and nonverbally. A distance of 30 to 39 inches is the average range of comfort between counsellor and clients of both genders.

In addition to the above arrangements the counsellors should not be interrupted during sessions. The counsellor should keep in mind the SOLER technique. SOLER is an acronym which serves to remind the counsellors how to listen:

S: Face the client squarely; that is, adopt a posture that indicates involvement.

O: Adopt an open posture. Sit with both feet on the ground to begin with and with your hands folded, one over the other.

L: As you face your client, lean toward him or her. Be aware of their space needs.

E: Maintain eye contact. Looking away or down suggests that you are bored or ashamed of what the client is saying. Looking at the person suggests that you are interested and concerned.

R: As the counsellor incorporates these skills into the attending listening skills, relax.

Client Qualities

Counselling relationship starts with first impressions. The way the counsellor and the client perceive one another is vital to the establishment of a productive relationship. Counsellors generally like to work with clients who are most like them. They are influenced by the physical characteristics of one's best work to all clients.

The client: Clients come in all shapes and sizes, personality characteristics, and degree of attractiveness. The most successful candidates are said to be YAVIS: Young, Attractive, Verbal, Intelligent, and Successful (Schofield, 1964). Less successful clients are seen as HOUND: Homely, Old, Unintelligent, Nonverbal, and Disadvantaged; or DUD: Dumb, Unintelligent and Disadvantaged (Allen, 1977).

A counsellor must consider a client's body gestures, eye contact, facial expressions and vocal quality to be as important as verbal communication. Cultural background of the client should keep in mind while evaluating the non verbal communication.

Counsellors Qualities

The personal and professional qualities are very important in building up relationship with the client. Okun (1992) lists five important characteristics that counsellors must possess:

- Self awareness,
- Honesty,
- Congruence,
- Ability to communicate, and
- Knowledge.

Clients depending on their culture initially like to work with counsellors who are perceived as Experts, Attractive and Trustworthy. Expertness is the degree to which a counsellor is perceived as knowledgeable and informed about his or her specialty. Attractiveness is a function of perceived similarity between a client and a counsellor. Counsellors can make themselves attractive by speaking in clear, simple sentences and offering appropriate self disclosure. Trustworthiness is related to the sincerity and consistency of the counsellor. The counsellor is genuinely concerned about the client and shows it over time by establishing a close relationship with the client.

3.16 Summary

In this unit you learned about the concept of counselling and characteristics of an effective counsellor. An effective counsellor does require more than effective communication skills. Counselling is definitely a discipline of its own. It is our belief that one can not be an effective counsellor without being an effective communicator. However, effective counsellor goes beyond effective communication. Effective counsellors have a strong knowledge base, an awareness of their own human vulnerability, a desire to continue searching and awareness that they are often dealing with vulnerable and easily influenced people. They are trained and many training and refresher programmes are organised for them so that they are in touch with the latest trends and their skills and knowledge are updated. Counsellors can be responsible for their clients' emotional life and death, which is indeed a very heavy burden to shoulder and one which is taken up consciously and willingly. If this is not the case then it is possible the counsellor may be just an effective communicator.

Counselling needs in the Indian context emerge against the background of tremendous social change. In addition, the last ten years of economic reform have enhanced the pace of these changes and further transformed life styles. Counselling services are poorly defined and presently anyone at all with little or no training can offer these services. Available counselling services are largely based on Western approaches to psychology. These approaches have been widely criticised as not being relevant to the Indian cultural context. A relevant and culturally valid counselling psychology therefore has remained a fledgling discipline. Psychological thought is not new to India, and ancient traditions present ideas and constructs that are rich in possibilities for application. This paper examines the Western and the traditional Indian approaches and proposes that these approaches could together inform the development of a psychology of counselling that is empirically sound and culturally relevant to the Indian context.

The process of counselling develops in definable stages with recognisable transitions. There is a natural progression that takes place within the context of the helping relationship. There are certain important factors that influence the counselling process. The major are: Structure, Initiative, Setting, Client Qualities, and Counsellor Qualities. The process of counselling occurs in stages like, developing a relationship, working in a relationship, terminating a relationship. The counsellor has to keep certain tasks in mind such as laying foundations for trust, establishing the structure and form the relationship will take, in its first stage of building relationship. Empathetic understanding, Unconditional positive regard and Congruence are certain core conditions which are mandatory for successful counselling. The last phase includes termination which is the end of the professional relationship with the client when the session goals have been met. It is a phase of counselling that can determine the success of all previous phases and must be handled skillfully. Counselling can not be considered complete and successful without the follow-up procedure.

3.17 Keywords

- ***Behavioural Approach:*** This is based on the premise that primary learning comes from experience. The initial concern in therapy is to help the client analyse behaviour, define problems, and select goals.
- ***Cognitive Therapy:*** Cognitive Therapy deals with thoughts and perceptions, and how these can affect feelings and behaviour. By reassessing negative thoughts an individual can learn more flexible, positive ways of thinking, which can ultimately affect their feelings and behaviour towards those thoughts.
- ***Psychoanalytic Therapy:*** Based on Psychoanalysis, Psychoanalytic Therapy also focuses on how an individual's unconscious thoughts are influencing them. However, Psychoanalytic Therapy is usually less intensive than Psychoanalysis.
- ***Leading:*** Changing client's perceptions requires a high degree of persuasive skill and some direction from the counsellor. Such input is known as leading.

3.18 Review Questions

1. Differentiate counselling and guidance.
2. Explain the concept of counsellor in counselling profession.
3. Discuss the various characteristics of an effective counsellor and compare the same with that of guidance personnel.
4. How does the values of a counsellor influence the counselling client relationship?
5. What are the certification and license requirement for a counsellor?
6. Give a note on Rehabilitation Council of India and its role in licensing counsellors.
7. Describe the changing role of the counsellor in the Indian context.
8. Explain the counselling approaches in the Indian Context.
9. What are the various kinds of counselling therapies used in India?
10. What is the relevance and suitability of counselling in the Indian context?
11. What is cultural preparedness? What are the implications of counselling in India?
12. Differentiate between a reluctant and a resistant client.
13. List qualities of a client needed for successful counselling relationship.
14. What is transference and counter transference?
15. Explain Empathy and its components.
16. Discuss the significance of termination in counselling relationship.

3.19 Further Readings

- Corey, G. (2008). *Theory and Practice of Counselling and Psychotherapy*. USA: The Thompson Brooks.
- Narayana Rao (2008). *Counselling and Guidance*. New Delhi: Tata Mc-Graw Hill.
- Nelson-Jones, R. (2002). *Basic Counselling Skills: A Helper's Manual.* Sage Publications Ltd.
- Samuel T. Gladding (2009). *Counselling: A Comprehensive Profession.* Pearson Education.

UNIT–4

Conflict Management

Notes

(Structure)

4.1 Learning Objectives
4.2 Introduction
4.3 Conflict is Everywhere
4.4 Different Thoughts on Conflict
4.5 Constructive and Destructive Conflict
4.6 Chaos and Complexity Theories
4.7 Systems Approach to Conflict Diagnosis
4.8 Resolving Conflict through Negotiation
4.9 Effective Strategies for Managing Human Conflict
4.10 Change Leading to Conflict
4.11 Common Manifestation of Conflict
4.12 Functional and Dysfunctional Aspects of Conflict
4.13 Levels of Conflict
4.14 Conflict Continuum
4.15 Power Continuum
4.16 Summary
4.17 Keywords
4.18 Review Questions
4.19 Further Readings

4.1 Learning Objectives

After studying the chapter, students will be able to:

- Define and explain the different thoughts on conflict;
- Discuss about constructive and destructive conflict;
- Explain the systems approach to conflict diagnosis;
- Discuss chaos and complexity theories;

- Define and explain the features of conflict;
- State the systems functional and dysfunctional aspects of conflict;
- Describe about levels of conflict.

Notes

4.2 Introduction

Conflict is inevitable and universal phenomenon of our individual, team & organizational life. Life is a never ending saga of conflict. Remember the time when you were a small child and had to choose between a tricycle and a cricket set or say, a set of dolls and a new frock for a birthday present. That was probably your first exposure to a conflict situation. Of course, this is a simplistic example of a conflict, but has life been the same since? Probably not. Think back and recall how each succeeding conflict in your life over the years has been increasingly complex.

Conflict has occupied the thinking of man more than any other theme. It has always been widespread in society but in recent year it has generated a lot of interest and has become the focus of research and study. We are living in the age of conflict. Everyday the choices available to us regarding any decision are increasing in number. You may have wanted to become a manager, an entrepreneur or a computer scientist. On the other hand, your father might have wanted you to become a doctor, a lawyer or a chartered accountant. Thus you faced a conflict not only at an intra personal level, in terms of the various choices confronting you, but also at an interpersonal level- your choice vs. your father's choice of a career for you.

Management today is faced with the awesome responsibility of ensuring optimum level of growth and productivity in an environment that is full of conflicting situations. A survey suggests that the modern man spends over 20 per cent of his time handling one form of conflict or the other. Top and middle level managers in the same survey have pointed out the importance of conflict management skills. We hope that the knowledge you will gain from this unit will equip you better to manage conflict situations more deeply at your workplace.

Interpreting the lived-meaning of conflict - asking deeper questions about why it happens as it does – is a necessary precursor to determining how to act when you find yourself in a conflict situation. —Kellett and Dalton

Creative resolution of conflict calls for a willingness to squarely confront the issues in conflict, a minimum level of trust in bona fide of the other party to conflict and the use of a rational rather than only the emotional approach. These are hard to bring to bear when actually engaged in conflict, but survival instinct or awareness of self-interest can sometimes make it happen. Therisk is that the same survival instinct and awareness of self-interest may give rise to collusion rather than productive conflict management. Mature parties to a conflict are often able to see the super ordinate purpose and use creative problem-solving processes keeping that super ordinate purpose constantly in view. Where situational requirements are unable to bring about therequisite conditions for creative conflict management, third parties may intervene.

4.3 Conflict is Everywhere

Conflict is not confined at the individual level alone but is manifesting itself more and more in organizations. Employees have become more vociferous in their demands for a better deal. Various departments in an organization face a situation full of conflicts due to a number of reasons like goal diversity, scarcity or resources or task over-dependence etc.

From organizations that are divided by their strategies and roles to local communities that are divided by race, economics, religion, or politics; from homes torn apart by chronic feuds between parents and children, siblings, or in-laws to countries that are torn apart by civil strife. At a superficial level, conflicts can be categorized into 'hot' (strong emotions, loud voices, visible tension) and cold (suppressed emotions, tense silence, invisible stress). Although hot and cold conflicts are as different as summer and winter, they both have destructive consequences if handled poorly. They produce chronic inefficiency in our organizations, strife in our communities, and turmoil in our lives. Even if we went to live alone, like a hermit on a mountaintop in total self-sufficiency, we would still carry in our memory all the previous experiences of conflict.

These conflicts are real. They are unavoidable. And they are not going away. So the question each of us faces is, "How to deal with it?" In our day-to-day life conflicts are only increasing and becoming more complex and intractable.

Just as differences are deepening in the communities where we live, so they are in the organizations where we work. Today more than sixty-three thousand trans-national companies operate globally with over eight hundred thousand subsidiaries spanning the planet. They employ more than 90 million people and produce 25 per cent of the world's Gross National Product (GNP). Unlike forty years ago, when 60 per cent of the world's top global companies were American, now only a third is. In less than a generation, the number of business people working across geographic borders has skyrocketed.

"The borders are coming down," In Unipolar globe "It's an irreversible trend, whether they are tariff borders, monetary borders, political borders, ethnic borders – they are coming down."And as the world is changing, leadership must change too.

But these differences between nations and cultures are only one part of the picture. For many leaders today, the more immediate challenge is the differences within their own organizations. Gone are the days when senior executives in the private sector were responsible to a wide range of stakeholders who are often scattered all over the world. They are juggling cross-border consistencies including employees, multiple suppliers, customers, governments (with different regulatory system), relevant NGOs (environmental, worker's rights, human rights, etc.), and more. Effective leaders today must develop the skills for turning these differences into opportunities – or they simply won't succeed.

Leaders who can traverse divisive boundaries have always been vital to civilization, but today the need for this leadership capacity is even more urgent and widespread. Leading as if the world stops at the edge of one's tribe, religion, nation, or corporation has become impractical, and often impossible. We simply cannot manage a whole company, a whole community and certainly not a whole planet – with leaders who identify only with one part. Instead, more often than ever before, we need boundary- crossing leaders who can help the parts work together to strengthen the whole.

"Leading through conflict" involves facing differences honestly and creatively, understanding their full complexity and scope, and enabling those involved to move towards original solutions. Such leadership requires going beyond the powerful, primordial responses to difference that result in an "us vs them" mentality. It requires capacities that such bear both personal and professional skills that turn serious conflicts into rewarding opportunities for collaboration and innovation.

Following are the vital tools of the mediator:

1. **Integral vision:** committing ourselves to hold all sides of the conflict, in all their complexity, in our minds – and in our hearts.
2. **System thinking:** identifying all (or as many as possible) of the significant elements related to the conflict situation and understanding the relationships between these elements.
3. **Presence:** applying all our mental, emotional, and spiritual resources to witnessing the conflict of which we are now a part.
4. **Inquiry:** asking questions that elicit essential information about the conflict that is necessary for its transformation.
5. **Conscious conversation:** becoming aware of our full range of choices about how we speak and listen.
6. **Dialogue:** communicating in order to catalyze the human capacity for bridging and innovation.
7. **Bridging:** building partnerships and alliances that cross the borders that divide an organization or a community.
8. **Innovation:** fostering social or entrepreneurial breakthroughs that create new options for moving through conflicts.

Through interviews with scores of leaders around the world, it is established how they have transformed – not just managed, settled, contained, or resolved – some of the most challenging, intractable conflicts of our time. Transformation means that the conflict is neither superficially settled with a quick compromise nor temporarily "fixed." It means that the stakeholders go through a process of change that raises the dynamics of the conflict to another level.

Transformation requires us to "wake up" out of vengeance and numbness. It challenges us to stand up and defend these life-affirming values – not to hurt but to heal;

not for victory but for justice; not for our rights but for the rights of all; not just for our "side" but for the whole of which we are only a small and fragile part.

As our world grows smaller, opportunities for conflict multiply. Ethnic, religious, political and personal differences drive people apart in organizations and institutions of all kinds – with potentially disastrous consequences. It's the task of effective leaders with mediator skills to bring people together again.

4.4 Different Thoughts on Conflict

Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding. It is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. A few definitions of conflict are as given below:

In simple terms, "conflict is a situation in which two people cannot agree on the actions that one person takes or that he or she doesn't want the other to take".

Follett defines conflict as, "the appearance of difference – difference of opinions, of interests."

Chung & Megginson define conflict as, "the struggle between incompatible or struggling needs, wishes, ideas, interests or people. Conflict arises when individuals or groups encounter goals that both parties cannot obtain satisfactorily."

According to David L. Austin, "It can be defined as a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its views or objectives over others."

Louis R. Pondy has given a very comprehensive definition of conflict. According to him, theorem conflict is used in four ways in the literature to describe:

1. Antecedent conditions of conflictful behaviour such as scarcity of resources or policydifferences.
2. Effective states of individuals involved such as stress, tension, hostility, anxiety etc.
3. Cognitive state of individuals, that is their perception or awareness of conflictful situation, and
4. Conflictful behaviour ranging from passive resistance to over aggression.

The common theme in all definitions are two or more competing goals, ideas, attitudes, behaviours of one or more parties are perceived in disagreement and feeling of aversely affected interests.

Taking these points, let us define conflict as a process where one party perceives that another party has adversely affected or has tried to affect adversely something that the first party values.

This definition is quite broad and can explain all the interpersonal, intergroup, and inter organizational conflicts. For example, conflicts of egos between two colleagues can be explained in terms of the process where Colleague A values his self respect. Colleague B says something which is derogatory for A, then A perceives that B has adversely affected (by derogatory remarks) something that the first party values (Ego/self respect). Similarly, inter group situation, if another colleague from different department has persuaded the CEO to divert the portion of budget from your department to his conflict situation arises. In this situation the act of persuading the CEO divert the portion of the budget of your department (which you valued) is an adverseaction leading to conflict. Similarly, organizational and societal conflicts can also be explained.

Thus, we can say that fighting, hostility & controversy, all of which can be called conflict, are nearly everyday fare for individuals & groups, although they are not always evident. It is an absolutely predictable social phenomenon and it should be channelled to useful purpose.

- Conflict is universal.
- Conflict is inevitable.
- Conflict is normal in our life.
- Conflict can not be totally eliminated.
- All conflicts can be managed/resolved.
- Unresolved conflicts do not disappear by themselves.
- There can be harmony in conflict—The Gita.

Conflict is an expression of hostility, negative attitude, rivalry, disagreement, incompatibility, incongruence etc. It is manifested in a fight, collusion, a struggle, a contest, an opposition, a mental strife, an agony, etc. Further, it is manifested in shouting, insulting, cursing, humiliating, making accusations, sulking, shedding tears, withdrawal, physical violence, avoidance, taking revenge, back-stabbing, etc.

Conflict management consists of diagnostic processes, interpersonal styles, negotiation of strategies, and other interventions that are designed to avoid unnecessary conflict and reduce or resolve excessive conflict. The ability to understand and correctly diagnose conflict is essential to managing it. Thus, we can say that conflict is an absolutely predictable social phenomenon and it should be channelled to useful purpose.

Perception of Conflict

There have been different perception over the role of conflict.

1. **Traditional view:** Conflicts are considered bad and required to be avoided.
2. **Human Relations view:** Conflicts are bound to be there and management should always be concerned with avoiding conflicts.
3. **Interactionist view (Modern view):** Leader should allow some conflicts to happen in the group so that the group always remain viable- self-critical and creative.

Notes

The Traditional View

According to the traditional view, conflict, by definition, was harmful and was to be avoided. This view was consistent with the attitudes that prevailed about human behaviour in the 1930s and 1940s. Traditionally, conflict was viewed negatively, and it was used synonymously with such terms as violence, destruction and irrationality. Conflict was seen as a dysfunctional outcome resulting from poor communication, a lack of openness and trust between people and the failures of the managers to be responsive to the needs and aspirations of the employees. Conflict could cause losses in productivity because groups would not cooperate in getting jobs finished and would not share important information. Too much conflict could also distract managers from their work and reduce their concentration on the job.

Thus, traditional writers had very conservative views about conflict as they considered it totally bad and advocated that conflicts must be avoided, with the result that sometimes, there is a tendency to suppress conflict and push it under the rug. By ignoring the presence of conflict, we somehow try to wish it away. Both the scientific management approach and the administrative school of management relied heavily on developing such organizational structures that would specify task, rules, regulations, procedures and authority relationships so that if a conflict develops, then these in built rules will identify and correct problems of such conflict. Thus, through proper management techniques and attention to the causes of conflict it could be eliminated and organizational performance could be improved.

The Human Relations View

The human relations view dominated the conflict theory from late 1940s through mid-1970s. According to this view, conflict was a natural occurrence in all groups and organizations. Since conflict was inevitable, management should accept the conflict. This theory says that conflict is avoidable by creating an environment of goodwill and trust. But still conflicts are bound to happen due to differences in opinions, faulty policies and procedures, lack of cooperation, allocation of resources which will lead to distortion and blockage in communication. Accordingly, management should always be concerned with avoiding conflict if possible and resolving it soon in the interests of the organization and the individuals.

The Interactionist View (Modern View Point)

While the human relations view accepted conflict, the integrationist approach encourages conflict. This view is based on the belief that conflict is not only a positive force in a group but is also necessary for a group to perform effectively. According to it, if the group is harmonious, peaceful and cooperative, it is prone to become static and non-responsive to the needs for change and innovation. Therefore, the group leader must allow some conflicts to happen in the group so that the group may remain viable, self-critical and creative.

However, conflicts must be kept under control to avoid their dysfunctional consequences. The major contribution of the interactionist approach is encouraging group leaders to maintain an ongoing minimum level of conflict, enough to keep the group progressive and innovative.

Thus, it becomes evident that to say conflict is all good or bad is inappropriate and naïve. Whether a conflict is good or bad depends on the type of conflict. Specifically, it is necessary to differentiate between functional and dysfunctional aspects of conflict.

Understanding the Theory: The "Interest-Based Relational Approach"

The second theory is commonly referred to as the "Interest-Based Relational (IBR) Approach". This type of conflict resolution respects individual differences while helping people avoid becoming too entrenched in a fixed position.

In resolving conflict using this approach, you follow these rules:

- **Make sure that good relationships are the first priority:** As far as possible, make sure that you treat the other calmly and that you try to build mutual respect. Do your best to becourteous to one-another and remain constructive under pressure.
- **Keep people and problems separate:** Recognize that in many cases the other person is not just "being difficult" – real and valid differences can lie behind conflictive positions. By separating the problem from the person, real issues can be debated without damaging working relationships.
- **Pay attention to the interests that are being presented:** By listening carefully you'll most likely understand why the person is adopting his or her position.
- **Listen first; talk second:** To solve a problem effectively you have to understand where the other person is coming from before defending your own position.
- **Set out the "Facts":** Agree and establish the objective, observable elements that will have an impact on the decision.
- **Explore options together:** Be open to the idea that a third position may exist, and that you can get to this idea jointly.

By following these rules, you can often keep contentious discussions positive and constructive. This helps to prevent the antagonism and dislike which so-often causes conflict to spin out of control.

4.5 Constructive and Destructive Conflict

Conflict cannot be suppressed or deferred indefinitely. Unsolved conflicts are potent source of trouble.

Poorly handled conflict saps everyone's energy, interferes with interpersonal relationships, and prevents groups from reaching their goals. Handled correctly, however, conflict can yield positive outcomes, as M. Kennedy (1998) says "When managed correctly, conflict produces the following results: new ideas for changing organizational processes, solving of continuous problems, a chance for workers to expand their capabilities, and the introduction of creativity into thoughts about organizational problems. Thus, following are the different steps of managing a conflict:

1. Understanding and Appreciating Conflict
2. Eliminating and Avoiding Conflict
3. Reducing Negative Effects of Conflict
4. Managing Conflicts for positive results - for Individual, Team and Organization.

Functional (Positive) Conflict

It supports the goals of group and improves its performance whereas dysfunctional conflict hinders group performance.

Positive conflict serves the following functions:

1. Analytical thinking,
2. Group cohesiveness,
3. Competition,
4. New ideas
5. Challenge,
6. Creativity
7. Stimulation for change,
8. Identification of weakness,
9. Awareness,
10. Quality decisions,
11. Release of tension etc.

Dysfunctional (Negative) Conflict

It hinders group performance, High employee turnover, tensions, Dissatisfaction, climate of distress and confrontation. According to one research, the hidden financial cost of an organization afflicted by conflict – " it is estimated that over 65 per cent of performance problems result from strained relationships between employees and not from defects in individual employees' skill or motivation". The cost of this conflict is borne directly by the people within the organization, in the stress of strained working relationships and any ensuing complaints and grievances. Let a situation go unchecked and you can add the cost of compensation and terminations.

Positive Consequence

1. Lead to new ideas
2. Stimulates creativity
3. Motivates change
4. Promotes organisational vitality
5. Helps individuals and groups establish identities
6. Serves as a safety valve to indicate problems.

Negative Consequences

1. Diverts energy from work
2. Threatens psychological well-being
3. Wastes resources
4. Creates a negative climate
5. Breaks down group cohesion
6. Can increase hostility and aggressive behaviours

In most organizations, conflicts increase as employees assert their demands for an increased share in organizational rewards, such as position, acknowledgment, appreciation, monetary benefits and independence. Even management faces conflicts with many forces from outside the organization, such as government, unions and other coercive groups which may impose restrictions on managerial activities.

4.6 Chaos and Complexity Theories

Complexity theory in the natural sciences has brought fresh insight into the nature and working of complex systems and some have hoped that applying this theory to social systems, albeit necessarily in an adapted form, could be equally revealing and useful. I confess to being among their number although the degree and extent of the usefulness and applicability of complexity in these areas is not yet clear to me. I am, however, convinced of the potential to, at the veryleast, facilitate a more realistic (i.e. closer to the reality of how the social world works) and open approach to analysis and action for change. This working paper is an exploration of ideas, opinions and attempts related to the application of complexity theory to the field of conflict transformation and some early reflections on these. The term conflict transformation has been used here to indicate a comprehensive and long term approach to social change in situations of violent, often intractable conflict. I find the term sufficiently broad to reflect the agenda of peace research and peace studies in their concern for justice as well as peace and, therefore, reference will be made to development and aid, security and ecology as being relevant to conflict transformation processes. I have also drawn on studies from the field of management and organisational change and military studies. The former as there has already been a relatively longs tan ding engagement with complexity theory in this field and also due to the historical influence between management and conflict resolution, the latter in order to remain open to insights in processes even where values and methods may be radically opposed.

What is Complexity Theory?

There is no one theory of complexity but rather several theories, or elements of theories, that have emerged from natural sciences, particularly biology, computer simulation, mathematics, physics and chemistry. These theories (for ease of reference henceforward referred to here as complexity theory) represented a recognition of the limitations of the Newtonian, linear scientific paradigm when applied to complex systems. The dominance of this paradigm had already been shaken by the discoveries within quantum physics but these had been confined to a particular scale and the implication has been the Newtonian paradigm holds for most practical purposes. Jay Lemke describes how our analytic approach developed within the human community, sharing knowledge across distance and time, until we became seduced by its successes into a belief in its universal applicability. In all this, we have adopted the habit of constructing the properties of wholes from samplings of their parts. Confined to the human scale in our specific interactions with the here-and-now, but benefitting from overlaying these with models of the there-and then, we have had to learn to make sense of higher levels by piecing them together 'from below'. When this same adaptive strategy was turned to the analysis of levels below us (anatomical studies, mechanical and chemical theories) we found first that we were well-servedby our technologies (our machines, built by assembling pieces into wholes), and then that we had to sample still lower levels, where changes happened too quickly for our eyes and where units were many. But we still thought in terms of aggregation and piecing together, we sampled and constructed always 'as if from below', our ancient phylogenetic trick, for which our symbolic systems of communication and representation were themselves long adapted. We were, not very surprisingly, most successful as reductionists. But in order to make the reductionist program work it was essential that we leave ourselves out of the picture. For once we see our representations of the levels below as actually models of our human-scale relationships to phenomena at those levels, then the neat homogeneity of scale that defines the separability of levels is broken.

Unlike complicated systems, where there may be many interacting elements such as, for example, wiring in an aircraft, no amount of studying of the parts will allow us to predict what will happen in the system as a whole. Complicated systems are determined and, with sufficient effort, knowable. Complex systems by contrast have many interacting agents where the interaction is unpredictable resulting in surprising outcomes. Clearly this sounds applicable to social systems and the insights gained through complexity theory in the natural sciences have been applied to various fields in social science on the basis of this analogy, where theory is understood as "an explanatory framework that helps us understand the behaviour of a complex social (human) system" (Mitleton-Kelly, 2003 p. 2) Complexity provides an explanatory framework for:

> How individuals and organisations interact, relate and evolve within a larger social ecosystem. Complexity also explains why interventions may have unanticipated consequences. The intricate interrelationships of elements within a complex system give rise to multiple chains of dependencies. Change happens in the context of this intricate intertwining at all scales. We become aware of change only when a different pattern becomes discernible.
>
> —Mitleton-Kelly, 2007

Before looking at the validity of this translation from natural to social science, and its relevance for peace and conflict studies, a brief presentation of the characteristics of complex systems is needed to illustrate their character more clearly.

Characteristics of Complex Systems

Self-organisation is considered to be one of the hallmarks of a complex system. Agents interact within a system without any external governing agency and in the process produce new order. Lemke reminds us that the self-organisation in such systems is the result of interactions with the environment, not a purely internal and autonomous process (Lemke, 1993 p. 247). Early work onself-organisation was influenced by Maturana and Varela's research on biological systems (Maturana, 1980). They coined the term autopoiesis for internal processes in which each component is involved in the production or transformation of other components and hence the system as a whole the system reproduces itself. The outcomes of such self-organising processes are both uncertain and irreversible. The second defining characteristic of a complex system is emergence, a concept familiar from systems theory. Check land describes emergent properties as the result of the whole of the system, deriving from its component activities and their structure but, crucially, unable to be reduced to these Emergent properties, qualities, patterns, or structures, arise from the interaction of individual elements; they are greater than the sum of the parts and may be difficult to predict by studying the individual elements. Emergence is the process that creates new order together with self-organisation. In these processes accidental factors may play a role with new coupling (to use Maturana's term) of reactions occurring in one particular system but not in another. Random fluctuations, whether internal or external, may also influence the development of the system through jumps to new states. The causal connections in these systems are nonlinear i.e. not proportional. The conventional scientific paradigm leads us to expect that a small input will lead to a small output and, correspondingly, a large input will produce a large output. This proportionality is broken in complex, non-linear systems where feedback plays a key role in the emergence of new order. Negative feedback plays a regulating role (as with the thermostat in a heating system) tending to maintain stability in the system. It is positive feedback that has a reinforcing or amplifying effect.

In complex systems that are operating far from equilibrium there is great sensitivity to perturbations. A related concept, derived from chaos theory, is that such developments are extremely sensitive to initial conditions i.e. a slight difference in any aspect of the situation from which such a process begins can result in widely different trajectories as the difference becomes amplified through positive feedback.

Notes

Lorenz's renowned butterfly effect Complex systems are open systems, exchanging energy and information with their environment. The agents in these systems interact in such a way that they adapt to the behaviour of other agents, who in turn adapt. This adaptation is cause for further adaptation and so on. Such complex adaptive systems (CAS) are dynamic and interact also with their environment causing it to change and then responding to these changes themselves. They are thus in a process that may be described as co-evolution. The development of a complex system within the environment, and in relation to other complex systems, can be tracked in what are termed fitness landscapes. This term was first coined by Wright in the field of evolutionary biology and it has been adopted, and further elaborated, by complexity researchers. A fitness landscape is a "mountainous terrain showing the locations of the global maximum(highest peak) and global minimum (lowest valley) [and] the height of a feature is a measure of its fitness." Within this fitness terrain the landscape alters and deforms as the actors within the environment act and change, in turn altering the conditions for the actors. According to Kauffman: "Real fitness landscapes in evolution and economies are not fixed, but continually deforming. Such deformations occur because the outside world alters, because existing players and technologies change and impact one another, and because new players, species, technologies, or organizational innovations, enter the playing field. Fitness landscapes change because the environment changes. And the fitness landscape of one species changes because the other species that form its niche themselves adapt on their own fitness landscapes . . ."

It is possible to construct such a landscape for any complex system and, by tracking interconnections time, observe how the environment is affected and responds to the changes that are occurring.

System theory is an approach to social life that stresses functional parts working together for a specific end. In general, this approach deals with what holds the organism together, yet when conflict theory is introduced, it explains how things fall apart. A system theory of conflict seeks to show how parts of a system do not always harmoniously work together.

Function

Systems theory of conflict stresses how oppression is part of larger social whole. The function of the theory is to show how the structures of production oppress labor. The capitalist must force labor to work more and more for less money, or as little money as the owner can get away with. But this is not because the owner is a bad person, it is because the capitalist system as a whole demands the capitalist save money, operate efficiently and turn a profit to survive. This entails the oppression of labor.

Significance

The system needs to be destroyed: this is the basic battle cry of critical theory in a systemic context. The system, that interlocking parts of production, ownership and labor, entails, by its very functioning, the oppression of the poor and laboring classes. The system becomes the only object of revolutionary activity on the part of labor, not individual owners.

A systems theory of conflict locates oppression not in the personal behaviour of those who are forced to operate within the system. According to this approach to conflict, systems theory holds that human nature is always changeable, and those with power will always develop ideologies that justify their domination. Without the system, those ideologies would fade away, leading to a fully human, honest life without the smoke screens or deception. Systems theory does not just deal with economics or politics, but with human attitudes.

4.7 Systems Approach to Conflict Diagnosis

Management of Conflict

Conflict is essentially destructive in nature. Therefore, immediate measures are necessary for its resolution. Thus, it's better to go for prevention and pro action than reaction and fire-fighting. There may be two approaches for managing the organizational conflict:

1. Preventive measures
2. Curative measures

In the preventive measures, the management tries to create a situation or environment where dysfunctional aspects of conflicts do not take place. As in most of the cases, conflict is destructive in nature, it should be resolved as soon as possible after it has developed, but all efforts should be made to prevent it from developing.

Preventive Measures

Some of the preventive measures to manage the organisational conflict are as follows:

1. **Establishing Common Goals:** The major reason for the development of conflict is the incompatible goals. This is particularly true in case of conflict among groups and between individuals and organization. The basic strategy of reducing the conflict should be to find common goals upon which groups can agree and to re-establish valid communication between the groups. The mutual dependence of groups can be brought through the super ordinate goals because these goals are of high value to the group. Super-ordinate goals are those that take precedence over other goals that may separate the conflicting parties. Group conflict can also be reduced through

the use of incentive systems designed to reward the activities that benefit the larger system, as opposed to those which are primarily in the interest of sub-units.

2. **Reduction in Interdependence:** The main reason for inter-group conflict is inter-dependence among them e.g. line and staff managers. As such, less the interdependence, less will be the amount of conflict among them. In organisations, such interdependence cannot be altogether avoided. However, instead of separating the units organisationally, they can be separated physically. Although the physical separation is not a permanent measure of managing conflict.
3. **Reduction in Shared Resources:** Another reason of inter-group conflict is sharing of the scarce resources by the groups. The management of conflict suggests reducing the sharing. One technique for this can be increasing the resources, so that each unit is independent in using them. But as the resources are scarce, they cannot always be increased. Thus, the best possible alternative is optimum allocation of the scarce resources.
4. **Trust and Communication:** The greater the trust among the members of the unit, the more open and honest the communication will be. Individuals and groups should be encouraged to communicate openly with each other, so that misunderstandings can be removed and they understand the problems of each other when necessary.
5. **Co-ordination:** After communication, the next step should be proper co-ordination. Properly coordinated activities reduce the conflict. Wherever there are problems in coordination, a special liaison office should be established to deal with these problems.
6. **Exchange of Personnel:** Another method of reducing and managing conflict is that personnel of conflicting groups may be exchanged for a specified period. Exchange of people is very similar to role reversal. It is aimed at greater understanding between people by forcing each to present and defend the other's position.
7. **Use of Superior Authority:** If conflict cannot be resolved by two organizational members or by two groups, it may be referred to a common superior, who will resolve the conflict by giving a decision. Such a decision may not necessarily bring agreement, but it will usually be accepted because of the recognized authority of high ranking official.
8. **Reorganization of Groups:** A manager can prevent the occurrence of many conflicts by reorganising the groups. People who have got something in common will be placed in one group. This will help them to see things in the same perspective, to have common interest and objective and to approach problems in much the same way. The behaviour of such groups is more predictable and it is easy for the manager to avoid conflicts.
9. **Expanding Resources:** This conflict resolution technique is so simple that it may be overlooked. If the conflict's source is common or scarce resources, providing

more resources may be a solution. Of course, managers working with tight budgets may not have the luxury of obtaining additional resources. Nevertheless, it is a technique to be considered.

10. **Changing Personnel:** Sometimes a conflict is prolonged and severe efforts at resolution fail. In such cases, it may be appropriate to change concerned personnel. Transferring or firing an individual may be the best solution, but is recommended only after due process.

11. **Changing Structure:** Another way to resolve a conflict is to change the structure of the organization. One way of accomplishing this is to create an integrator role. An integrator is a liaison between groups with very different interests. In severe conflicts, it may be the best that the integrator be a neutral third party. Creating the integrator role is a way of opening dialogue between groups that have difficulty in communicating.

    Using cross-functional teams is another way of changing the organization's structure to manage conflict. In the old methods of designing new products in organizations, many departments had to contribute and delays resulted from difficulties in coordinating the activities of the various department. Using a cross-functional team made up of memberships different departments, improves coordination and reduces delays by allowing many activities to be performed at the same time rather than sequentially. The team approach allows members from different departments to work together and reduces the potential for conflict.

12. **Confronting and Negotiating:** Some conflicts require confrontation and negotiation between the parties. Both these strategies require skill on the part of the negotiator and careful planning before engaging in negotiations. The process of negotiation involves an open discussion of problem solutions, and the outcome is often an exchange in which both parties work towards a mutually beneficial solution.

4.8 Resolving Conflict through Negotiation

The Two Most Important Kinds of Bargaining: Distributive (win-lose) vs. Integrative(win-win).

All bargaining situations can be divided into two categories:

Distributive (also called Competitive, Zero Sum, Win-lose or Claiming Value)

In this kind of bargaining, one side "wins" and one side "loses." In this situation there are fixed resources to be divided so that the more one gets, the less the other gets. In this situation, one person's interests oppose the others. In many "buying" situations, the more the other person gets of your money, the less you have left. The dominant concern in this type of bargaining is usually maximizing one's own interests. Dominant strategies in this mode include manipulation, forcing, and withholding information. This version is also called "claiming value" since the goal in this type of situation is to increase your own value and decrease your opponent's.

Integrative (Collaborative, Win-win or Creating Value)

In this kind of bargaining, there is a variable amount of resources to be divided and both sides can "win." The dominant concern here is to maximize joint outcomes. An example is resolving a different opinion about where you and a friend want to go to dinner. Another example is performance appraisal situation with a subordinate or resolving a situation of a subordinate who keeps coming in late to work. Dominant strategies in this mode include cooperation, sharing information, and mutual problem solving. This type is also called "creating value" since the goal here is to have both sides leave the negotiating feeling they had greater value than before.

It needs to be emphasized that many situations contain elements of both distributive and integrative bargaining. For example, in negotiating a price with a customer, to some degree your interests oppose the customer (you want a higher price; he wants a lower one) but to some degree you want your interests to coincide (you want both your customer and you to satisfy both of your interests-you want to be happy; you want your customer to be happy).

Using the Tool: A Conflict Resolution Process

Based on these approaches, a starting point for dealing with conflict is to identify the overriding conflict style employed by yourself, your team or your organization.

Over time, people's conflict management styles tend to mesh, and a "right" way to solve conflict emerges. It's good to recognize when this style can be used effectively, however make sure that people understand that different styles may suit different situations.

Look at the circumstances, and think about the style that may be appropriate. Then use the process below to resolve the conflict:

Step One: Set the Scene

If appropriate to the situation, agree the rules of the IBR Approach (or at least consider using the approach yourself.) Make sure that people understand that the conflict may be a mutual problem, which may be best resolved through discussion and negotiation rather than through raw aggression.

If you are involved in the conflict, emphasize the fact that you are presenting your perception of the problem. Use active listening skills to ensure you hear and understand other's positions and perceptions.

1. Restate
2. Paraphrase
3. Summarize

And make sure that when you talk, you're using an adult, assertive approach rather than a submissive or aggressive style.

Step Two: Gather Information

Here you are trying to get to the underlying interests, needs, and concerns. Ask for the other person's viewpoint and confirm that you respect his or her opinion and need his or her cooperation to solve the problem.

Try to understand his or her motivations and goals, and see how your actions may be affecting these.

Also, try to understand the conflict in objective terms: Is it affecting work performance? damaging the delivery to the client? disrupting team work? hampering decision-making? or so on. Be sureto focus on work issues and leave personalities out of the discussion.

1. Listen with empathy and see the conflict from the other person's point of view.
2. Identify issues clearly and concisely.
3. Use "I" statements.
4. Remain flexible.
5. Clarify feelings.

Step Three: Agree the Problem

This sounds like an obvious step, but often different underlying needs, interests and goals can cause people to perceive problems very differently. You'll need to agree the problems that you are trying to solve before you'll find a mutually acceptable solution.

Sometimes different people will see different but interlocking problems – if you can't reach a common perception of the problem, then at the very least, you need to understand what the other person sees as the problem.

Step Four: Brainstorm Possible Solutions

If everyone is going to feel satisfied with the resolution, it will help if everyone has had fair input in generating solutions. Brainstorm possible solutions, and be open to all ideas, includingones you never considered before.

Step Five: Negotiate a Solution

By this stage, the conflict may be resolved: Both sides may better understand the position of the other, and a mutually satisfactory solution may be clear to all.

However you may also have uncovered real differences between your positions. This is where a technique like win-win negotiation can be useful to find a solution that, at least to some extent, satisfies everyone.

There are three guiding principles here: Be Calm, Be Patient, Have Respect.

Notes

4.9 Effective Strategies for Managing Human Conflict

Some propositions may guide development of effective strategies for managing human conflict. Three of these are summarized below:

1. Conflict is inescapable in interdependent relationship where the actions of one party have consequences for the other, and vice-versa. This offers hope and provides logic for mutually satisfactory, collaborative and developmental resolution of conflict.
2. Conflict grows out of similarities in the needs and values of parties when using scarce and indivisible resources. It is implicit in the compulsion to simultaneously satisfy similar needs and values through inadequate resources. Such conflict can be resolved either bilineurine resources, or by sharing and collaborating. It may seem like a contradiction in terms, but similarities in needs and values need not always lead to cooperation.
3. Contrarily, conflict also has roots in differing needs and values of interdependent people. Such conflict may raise its head in term of what to do, or how to do. Resolution may lie in breaking up the groups, in compromise, in negotiating or in some creative synthesis towards a new direction or method. A creative synthesis kind of resolution may give riseto a better understanding-among persons with differing values and needs-of each other's perspectives.

4.10 Change Leading to Conflict

If change happens, can conflict be far behind? In implementing any change intervention, like OD or PFM, an essential prerequisite for success if the organization's proficiency in managing differences or conflict. Organizational change and conflict haye a cyclical effect to reinforce each other, as follows:

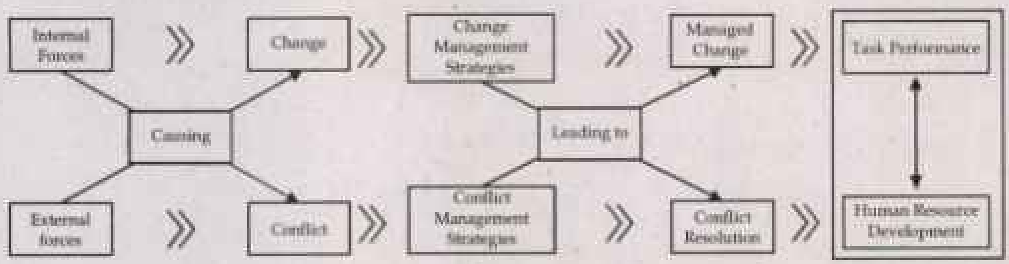


Figure 4.1: Conflict, Change, Performance and Development

Conflict, change and development are thus closely inter-linked. Any one of these can be the point of departure, and before long the other two will be there. It is common experience that some people welcome a particular change, while others feel threatened by it. A conflict has been set up-subtle, or open. If this discourages the organization from undertaking development, it would, in all probably, give rise to worse conflicts. As such, conflicts that are considered legitimate and generate desired change, must be preferred to those that bring about dysfunction.

This needs to be stated explicitly because:

1. There is certain hollowness prevalent around conflict. Those engaged in conflict often deny its existence.
2. Conflict carries a negative connotation and those engaging in conflict experience a sense of guilt. There is no cause for guilt where the conflict is functional and legitimate.
3. Those engaging in conflict believe, almost like a victim, that they are doing so as a last resort, having tried various stratagems, and failed. Conflicts, in aid of development, must be faced boldly, deliberately and as a preferred choice.
4. Conflict is not necessarily violent and unnecessary. Sometimes, evading conflict in the right time ad manner may lead to violence and waste, while bringing the issues in conflict to surface can avert these.
5. Often, conflicts hold opportunities for developmental interventions to be initiated.

4.11 Common Manifestation of Conflict

Conflict get reflected in our working life or behaviour patterns and they impact us in different ways. They can be summarized as:

1. Fight

   Behaviour - aggressive

   - win-lose situation - unkind to the people

   - effective with problem

2. Flight

   Behaviour - passive

   - lose-win/lose-lose situation - kind to the people

   - ineffective with the problem

3. Flow

   Behaviour - assertive

   - win-win situation

   - fluidity/flexibility, elegant, graceful, sure-footed

   - stays calm, explore alternatives and go for fair ones -kind with people

   - effective with problem

There are two basic assumptions underlying our approach to this problem. Let us examine them before going any further:

1. Differences among people should not be regarded as inherently "good" or "bad". Sometimes differences result in important benefits to the organization; and sometimes they are disruptive, reducing the overall effectiveness of individual and organizations.

2. There is no one "right" way to deal with differences. Under varying circumstances, it maybe most beneficial to avoid differences, to repress them, to sharpen them into clearly defined conflict, or to utilized them for enriched problem solving. The manager who consistently "pours oil on troubled waters" may not be the most effective manager. Nor is the manager necessarily successful who emphasis individuality and differences so strongly that cooperation and teamwork are simply afterthoughts. We feel, rather, that the effective manager is one who is able to use a variety of approaches to differences and wo chooses any specific approach on the basis of an insightful diagnosis and understanding of the factors with which he is faced at that time.

Notes

Features of Conflict

From the organizational point of view, following are the broad features of conflict:

1. Conflict occurs when individuals are not able to choose among the available alternative courses of action.
2. Conflict between two individuals implies that they have conflicting perceptions, values and goals.
3. Conflict is a dynamic process as it indicates a series of events. Each conflict is made up of a series of interlocking conflict episodes.
4. Conflict must be perceived by the parties to it. If no one is aware of a conflict, then it is generally agreed that no conflict exists.

4.12 Functional and Dysfunctional Aspects of Conflict

The interactionist view does not propose that all conflicts are good. There are both positive and negative aspects of conflicts. Boulding recognizes that some optimum level of conflict and associated personal stress and tension are necessary for progress and productivity, but he portrays conflict primarily as a potential and social cost. Similarly, Kahn views that "one might as well make a case for interpreting some conflict as essential for the continued development of matureand competent human beings, but they feel that conflict has a social cost."

Thus, we can say that the conflicts which support the goals of the group and improve its performance are known as functional conflicts. On the other hand, conflicts that hinder group performance, are dysfunctional or destructive form of conflict. Although the demarcation between functional and dysfunctional is neither clear nor precise.

Functional Conflicts

If we look at conflict from functional point of view, conflicts are supposed to serve the following functions:

1. **Release of Tension:** Conflict when expressed can clear the air and reduce the tension which might otherwise remain suppressed. Suppression of tension can

lead to imaginative distortion of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. When members express themselves, they get some psychological satisfaction. This also leads to reduction of stress among the members.

2. **Analytical Thinking:** When a group is faced with a conflict, the members display analytical thinking in identifying various alternatives. In absence of conflict, they might not have been creative or even might have been lethargic. The conflict may induce challenge to such views, opinions, rules, policies, goals and plans which would require a critical analysis in order to justify these as they are or make such changes that may be required.
3. **Group Cohesiveness:** Inter-group conflict brings about closeness and solidarity among the group members. It develops group loyalty and greater sense of group identity in order to compete with the outsiders. This increases the degree of group cohesiveness which can be utilized by the management for the attainment of organizational goals in an effective manner. As cohesiveness increases, differences are forgotten.
4. **Competition:** Conflicts promote competition and hence it results in increased efforts. Some persons are highly motivated by conflict and sever competition. Such conflict and competition, thus, lead to high level of effort and output.
5. **Challenge:** Conflict tests the abilities and capacities of the individuals and groups. It creates challenges for them for which they have to be dynamic and creative. If they are able to overcome the challenge, it will lead to search for alternatives to existing patterns which leads to organizational change and development.
6. **Stimulation for Change:** Sometimes conflict stimulates change among the people. When they are faced with a conflict, they might change their attitudes and be ready to change themselves to meet the requirements of the situation.
7. **Identification of Weaknesses:** When a conflict arises, it may help in identifying the weaknesses in the system. Once the management comes to know about the weaknesses, it can always take the steps to remove them.
8. **Awareness:** Conflict creates awareness of what problems exist, who is involved and how to solve the problem. Taking cue from this, management can take the necessary action.
9. **High Quality Decisions:** When conflicting, persons express their opposing views and perspectives, thus high quality decisions result. The people share their information and check each others reasoning to develop new decisions.
10. **Enjoyment:** Conflict adds to the fun of working with others when not taken seriously. Many people find conflict enjoyable to competitive sports, game, movies, play and books.

Dysfunctional Conflicts

The dysfunctional aspects of the conflicts can be visualized in the following ways:

1. **High Employee Turnover:** In case of intra-individual and inter-individual conflicts particularly, some dynamic personnel may leave the organization, if they fail to resolve the conflict in their favour. In this case, organization will be the sufferer in the long run due to the loss of key people.
2. **Tension:** Sometimes conflict can cause high level of tensions among the individuals and groups and a stage may come when it becomes difficult for the management to resolve the conflict. This will result in anxiety, frustration, uncertainty and hostility among the members.
3. **Dissatisfaction:** Conflict will result in discontentment to the losing party, who will wait for an opportunity to settle the score with the winning party. All this tussle will result in less concentration on the job and as a result, the productivity will suffer.
4. **Climate of Distrust:** Conflict often creates a climate of distrust and suspicion among the members of the group as well as the organization. The degree of cohesiveness will be less as the discords will be more. The concerned people will have negative feelings towards each other and try to avoid interaction with each other.
5. **Personal vs. Organizational Goals:** Conflicts may distract the attention of the members of the organization from organizational goals. They may waste their time and energy infinding ways and tactics to come out as winners in the conflict. Personal victory becomes more important than the organizational goals.
6. **Conflict as a Cost:** Conflict is not necessarily a cost for the individuals. But the conflicts may weaken the organization as a whole, if the management is not able to handle them properly. If the management tries to suppress conflicts, they may acquire gigantic proportions in the later stages. And if the management does not interfere in the earlier stages, unnecessary troubles may be invited at the later stages. It is a cost to the organization, because resignations of personnel weaken the organization and feeling of distrust among members have negative impact on productivity.

4.13 Levels of Conflict

Conflict contained within reasonable limits, thus, serve several useful purposes and can be functional for individuals, groups and to the institution. However, if conflict is allowed to develop beyond control, it could tend to become destructive, resulting in such averse situations as strikes, sabotage and other dysfunctional behaviour. There should be an optimum level of conflict that is very useful for the development of creativity, high problem-solving behaviours and productivity. This optimum level is depicted in the following Figure:

Notes

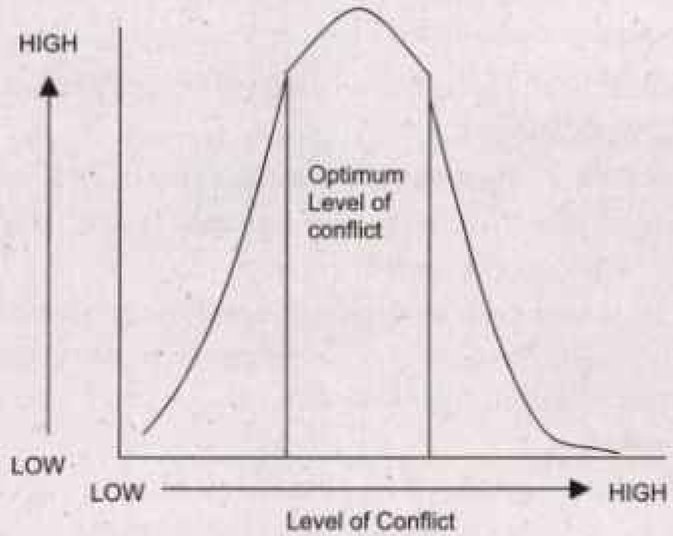


Figure 4.2

Too little conflict creates conditions of inertia, and boredom in the system and excessive conflict results in destructive and dysfunctional tendencies, thus, conflict has to be managed. Managers have to motivate the level of conflict in the system. If there is too little or no conflict at all, they may even have to induce some levels of conflict to energise the system. As the level of conflict tends to go beyond the optimum level, the manager must act to resolve the conflict in such a manner that will be beneficial to the organization. Managed in the wrong way, real and legitimate differences between people can quickly spiral out of control, resulting in situations where co-operation breaks down and the team's mission is threatened. This is particularly the case where the wrong approaches to conflict resolution are used.

To calm these situations down, it helps to take a positive approach to conflict resolution, where discussion is courteous and non-confrontational, and the focus is on issues rather than on individuals. If this is done, then, as long as people listen carefully and explore facts, issues and possible solutions properly, conflict can often be resolved effectively.

4.14 Conflict Continuum

At each end of the continuum, is an extreme peace and war. A state of peace is a state of compassion. A state of war is a state of the ultimate conflict, the most negative extreme, where there is physical hostility leading to death. Wars can take place between countries, tribes, drug kings, gangs, corporations, partners and individuals. Whatever the circumstances, they will all have the common denominator of complete breakdown in communication and a refusal to see the "other" as a human being who has the right to life.

One step down from war we have undeclared war, which is really a war by other means. For example, in the period just preceding World War II and the Japanese attack on Pearl Harbour, we were doing things like boycotting the Japanese, making sure they weren't able to get raw materials, denying them access to financial markets and committing otherwise "provocative" acts. While we hadn't made a formal declaration of war, we were actually in an informal state of war.

Notes

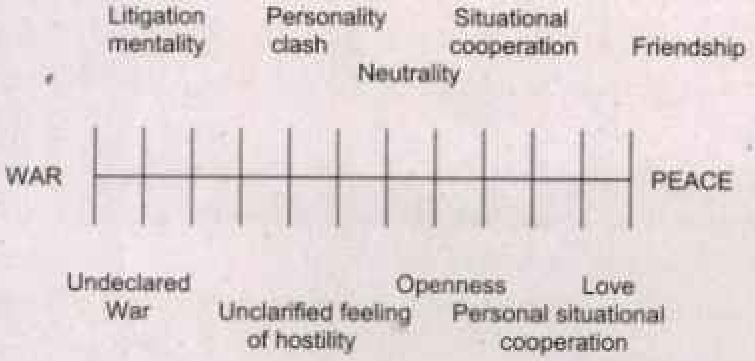


Figure 4.3: The Conflict Continuum

This level of conflict applies to personal relationships as well. If we are engaged in open hostility with someone else, where provocative statements and actions abound and there is the intention to hurt or overpower another, we can be said to be engaged in an undeclared war with that person. In this type of relationship, disagreement or opposing world views have escalated into full conflict, with each side squared off against the other. Many unhappy marriages, for instance, are in a state of undeclared war, with both spouses constantly "sniping" at each other. Also, many ongoing on-the job conflicts are endless sources of tension and frustration for hostile co workers.

Next to "undeclared war" on the continuum comes what I call the litigation mentality. This is where you're using the judicial/economic system, playing by all the legal rules. But you are nonetheless engaged in a form of open hostility. In litigation, someone is usually "out to get" someone else. They are simply doing it in a "nice" way. But the parties involved become adversaries, one of whom must win and one of whom must lose.

The next step on the continuum is an unclarified feeling of hostility. Here the people involved may sense that conflict is in the air, but nobody can quite define it.

Moving down from unclarified hostility, we have a personality clash. This is a situation where it can be said, "Okay. Culturally, astrologically or whatever, these two people just can't get along with each other." Whether they are relatives, friends or business associates, they simply clash. One person's one way, the other person's the other way, and when they get together it's one big explosion caused by bad chemistry. This sort of interaction does not even have to involve actions or words; just the physical presence of one will set the other off.

At the middle of the continuum, we have neutrality. Here interactions are neither positive nor negative. There's no friendship or love; neither is there hostility. The parties involved interrelate amicably, but they are emotionally removed from each other.

Beyond "neutrality" is a state of openness, where, although there may not be extensive dealings between two people, there is an unspoken comfortableness and invitation to friendship or cooperation.

After "openness" comes situational cooperation, in which people are engaged in an activity or as co-workers, and "personal situational cooperation," where the parties who are involved in business or work dealings are also friends.

As we continue along the continuum, relationships deepen to friendship and finally love.

The Conflict Continuum can be a useful gauge in assessing how and why we interact with others in a certain way, and what stage we are at in terms of the levels of conflict we are experiencing in our lives.

Above all, the Conflict Continuum is a reminder that the world of conflict is neither black nor white, that many subtle gradations exist within it, and that we have the power and capacity to choose and to alter our relationships in order to minimize the conflict and maximize the harmony in our lives.

4.15 Power Continuum

At one end of the Power Continuum is what I call a pure dictatorship. At the other end is genuine consensus. Between these two extremes are numerous variations on the themes of autocracy and democracy.

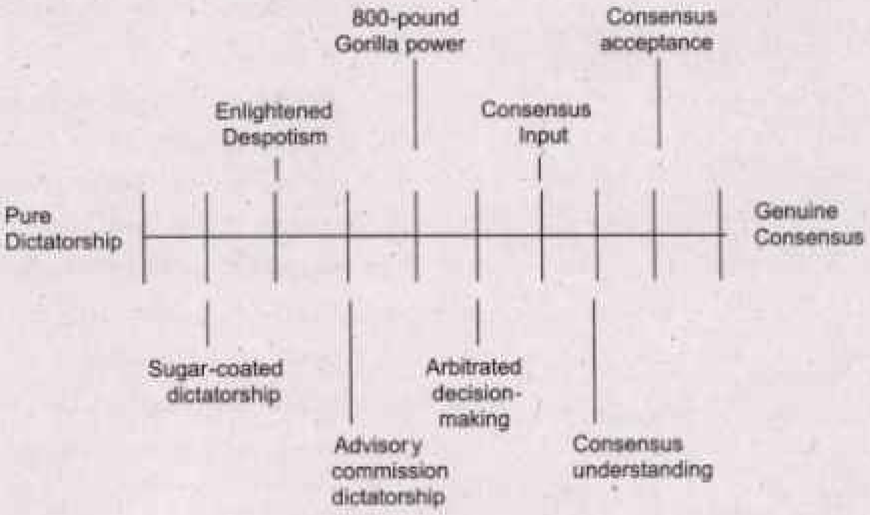

800-pound Gorilla power
Consensus acceptance
Enlightened Despotism
Consensus Input
Pure Dictatorship
Genuine Consensus
Sugar-coated dictatorship
Arbitrated decision-making
Advisory commission dictatorship
Consensus understanding

Figure 4.4: Power Continuum

In a pure dictatorship, one person or one group has, either individually or collectively, absolute power in the realm of which they're in charge to say, do and accomplish what they want. The opinions and inputs of anyone else are unnecessary in the decision-making process. We're familiar with dictatorships in the context of governments; they can also operate within any organization where one person or group has unlimited power. The president of a company maywield absolute authority. Also, in a family, the father or mother may easily assume the role of dictator, handing down decisions and rules that, if opposed or broken, incur heavy consequences.

Notes

One step down from pure dictatorship is what I refer to as a sugar-coated dictatorship. This is simply a dictatorship in disguise. There may be a puppet like legislature or a puppet council of advisors. But one person, group or ideology still makes all the decisions.

After the sugarcoated dictatorship comes enlightened despotism. In this type of decision-making environment, the dictator is assumed, like god, to be benevolent in his/her authority. The enlightened despot theoretically has the desire or intention of doing good for others. Yet, according to the structure of the organization, he or she still makes the decisions as to what is actually good for other people.

Next we have the advisory commission dictatorship. This differs from the sugar-coated dictatorship in that it's not a case of window dressing. There is actually some built-in mechanism that provides for a group of people other than the top authority figure to have some public input into the decision-making process. The President's Advisory Commission on AIDS, for instance, is a good example of this. The commission itself has no real power. But its members get to write a white paper, and their opinions are recognized publicly. The final decision, however, is still in the hands of one person or group.

Then there's the 800-pound gorilla power, which is a take-off on the question, "Where does an 800-pound gorilla sleep?" The answer, of course, is "Any damn place it pleases." In this instance, decision-making is proportional to money power or vote power. The person who can afford the best lawyer, or who runs a political action committee or who has the most money in the poker game can call certain decision-making shots.

Now, this may smack of pure dictatorship, but it's more temporary in substance. It may be that the gorilla wandered into your living room because it was hungry, and once you fed it, left. Eight-hundred pound gorilla power – which can also be thought of as the "money/elective dictatorship" – is essentially limited in nature. Its primary effectiveness has to do with single issue politics. The insurance lobby, for instance, is exceedingly powerful when it comes to insurance legislation, but it will not have corresponding clout in foreign policy issues.

Now we move from the realm of dictatorship to arbitrated decision-making. This can be summarized as the "rule of law," where the decision-making is based on some supposedly objective standard which in turn is being interpreted by one person, either a judge or an certain rules of evidence. In effect, however, he or she is an autocrat. Although his or her decisions arthritically appealable; the probability of such judgements being overturned is actually quite minuscule.

The next level of decision-making involves consensus input. This is where there is no final decision until everyone involved in that decision has had the opportunity to provide input into it. This is a kind of democracy in which everybody has an opportunity to interact, whether it's talking about politics, marketing or the homeowner's association meeting on what colour to paint the entire condo complex.

Following consensus input, we have consensus understanding. In a situation of consensus understanding, the group will not announce a final decision until everyone understands what that decision is. They may not necessarily agree with it, but they understand how and why it was arrived at. One of the things I'll often do in a divorce mediation, for instance, is to make sure that if one party wants the divorce and the other doesn't, the person who is resisting it is at least able to say in good conscience that they understand why his or her spouse is requesting it.

Understanding a decision that you don't necessarily agree with makes it much easier to swallow the pill and move from anger, hurt and bewilderment to acceptance. Which brings us to the next level of consensus acceptance, where no final decision or action is taken by the group until everyone is accepting the outcome. Again, this doesn't necessarily mean that everyone agrees with the decision. Rather, it means that everyone is able to at least say, "Well, I don't agree with this but I accept it."

With this, we come to the final extreme of the Power Continuum, which is genuine consensus. This is a situation in which the final decision or action is taken only when everyone agrees with the outcome. Genuine consensus may seem, on one level, to be a rarely realized ideal. But in actuality, it's the basis of our criminal jury system, where every member of a jury, for instance, must agree on the verdict before there can be a conviction.

See if you can locate along the Power Continuum the decision-making power in the groups, organizations or situations in which you're involved. Is your boss or supervisor a pure dictator? An enlightened despot? A believer in consensus input, acceptance or agreement? Is there a commission at your workplace that can suggest policy or listen to grievances? Are decisions in your family made by a single authority figure or a genuine consensus?

Understanding the prevailing decision-making dynamics is an important element in determining the most effective way in which to gather and utilize-information in your various environments, especially when you're involved in an uncomfortable situation that could become one of the two things: a full-blown conflict or a harmonious working relationship.

4.16 Summary

Conflict is inevitable and universal phenomenon of our individual, team & organizational life. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding. Newtonian paradigm holds for most practical purposes. Jay Lemke describes how our analytic approach developed within the human community. Some conflicts require confrontation and negotiation between the parties.

System theory is an approach to social life that stresses functional parts working together for a specific end. A manager can prevent the occurrence of many conflicts by reorganising the groups. A systems theory of conflict locates oppression not in the personal behaviour of those who are forced to operate within the system. Conflict is an expression of hostility, negative attitude, rivalry, disagreement, incompatibility, incongruence etc. Conflict is inescapable in interdependent relationship where the actions of one party have consequences for the other, and vice-versa. Conflict occurs when individuals are not able to choose among the available alternative courses of action. Conflict carries a negative connotation and those engaging in conflict experience a sense of guilt. There is no cause for guilt where the conflict is functional and legitimate.

The human relations view dominated the conflict theory from late 1940s through mid 1970s. Conflict is not necessarily a cost for the individuals. But the conflicts may weaken the organization as a whole. Conflict often creates a climate of distrust and suspicion among the members of the group as well as the organization. Sometimes conflict can cause high level of tensions among the individuals and groups and a stage may come when it becomes difficult for the management to resolve the conflict.

4.17 Keywords

- ***Bridging:*** Building partnerships and alliances that cross the borders that divide an organizationor a community.
- ***Dialogue:*** Communicating in order to catalyze the human capacity for bridging and innovation.
- ***Innovation:*** fostering social or entrepreneurial breakthroughs that create new options for moving through conflicts.
- ***Inquiry:*** Asking questions that elicit essential information about the conflict that is necessary for its transformation.
- ***Integral Vision:*** Committing ourselves to hold all sides of the conflict, in all their complexity, in our minds - and in our hearts.
- ***Presence:*** Applying all our mental, emotional, and spiritual resources to witnessing the conflict of which we are now a part.
- ***Stimulation for Change:*** Sometimes conflict stimulates change among the people. When they are faced with a conflict, they might change their attitudes and be ready to change themselves to meet the requirements of the situation.

4.18 Review Questions

1. Discuss about different thoughts on conflict.
2. Define constructive and destructive conflict.

Notes

3. What do you know about chaos and complexity theories?
4. Describe about resolving conflict through negotiations.
5. Explain about systems approach to conflict diagnosis.
6. Elaborate the statement "Conflict is Everywhere".
7. Describe the characteristics of complex system.
8. Define the complexity theory.
9. Discuss the effective strategies for managing human conflict.
10. Explain the common manifestation of conflict.
11. Describe the features of conflict.
12. Discuss the functional and dysfunctional aspects of conflict.
13. What are the different sources of conflict?
14. What do you mean by conflict continuum?
15. Explain about the perception of conflict.
16. Explain about functional Conflict.

4.19 Further Readings

- Books Booth, A., Crouter, A. C., & Clements, M. (Eds). Couples in Conflict. Mahwah, NJ: Lawrence Erlbaum.
- Casing a Promised Land by Goodall: Carbondale: Southern Illinois UniversityPress.
- Conflict Management & Organization Development by Willem F.G. Mastenbroe: John Wiley & Sons.
- Coser, L. The Functions of Social Conflict. New York: Free Press.
- Cupach, W.R. & Canary, D.J (1997). Competence in Interpersonal Conflict. Prospect Heights, IL: Waveland.
- International Journal of Conflict Management by Jones, T.S., Remland, Non Verbal Communication and Conflict Escalation: An attribution Based Model.
- Leading Through Conflict, How Successful Leaders Transform Differences into Opportunities by Mark Gerzon: Harvard Business School Press.

UNIT–5

Culture and Gender on Negotiation

Notes

(Structure)

5.1 Learning Objectives
5.2 Introduction
5.3 Negotiating
5.4 Culture and Negotiation
5.5 Culture Influences Negotiations
5.6 Affect of International Cultural Differences on Negotiations
5.7 The Role of Gender in Negotiation
5.8 Seven Elements of Effective Negotiations
5.9 Ethics
5.10 Nature and Value of Management Ethics
5.11 Four Perspectives on Ethics
5.12 Child Labour
5.13 Applying Ethical Reasoning to Negotiation
5.14 Ethics versus Prudence versus Practicality versus Legality
5.15 The Consequences of Unethical Conduct
5.16 Cross-cultural Ethical Issues
5.17 Resolving Ethical Issue
5.18 Ethics as a Competitive Advantage in Global Business
5.19 Implications for Managers
5.20 Ethics in Negotiations
5.21 Summary
5.22 Keywords
5.23 Review Questions
5.24 Further Readings

5.1 Learning Objectives

After studying the chapter, students will be able to:

- Define and explain ethics, fairness and trust in negotiation;

- Discuss about values and behaviours in negotiations;
- State the substantive and procedural fairness in negotiation;
- Discuss bases and relationship in negotiating trust.

5.2 Introduction

By understanding the affects of culture on the process of negotiation, we may be able to better understand the negotiation process itself. This essay will, therefore, present a number of variables to assess the various effects that cultural differences can have on negotiation. The US model of negotiation will be used as the main comparative model to various other national models.

This approach will call upon numerous models of national negotiation behaviour and hopefully make it apparent to the reader the various cultural differences in the negotiation process. Moreover, specific variables will be touched upon in the clash between culture and negotiation. On the other side of the spectrum it can be argued that the presence of global elites, living cosmopolitan lifestyles and sharing a common basis of expertise and language override their varied backgrounds. What will be argued is that, although professional ties and the presence of a 'diplomatic culture' can ease negotiation they cannot eliminate cross cultural dissonances grounded in profoundly contrasting views of the world, modes of communication and styles of negotiation. Ultimately 'diplomatic culture' is not a sufficient replacement for cultural diplomacy.

Ethics are broadly applied social standards for what is right or wrong in a particular situation, or a process for setting those standards. They differ from morals, which are individual and personal beliefs about what is right and wrong. Ethics grow out of particular philosophies, which purport to (a) define the nature of the world in which we live, and (b) prescribe rules for living together. Different philosophies adopt distinct perspectives on these questions, which means, in practice, that they may lead to different judgements about what is right and wrong in a given situation. The "hard work" of ethics in practice is figuring out how ethical philosophies differ from one another, deciding which approaches are personally preferable, and applying them to real-world situations at hand.

5.3 Negotiating

Whether you manage a small department, own your own business, head a major corporation, or hold an entry-level sales position, you must know how to negotiate. Negotiation is a process whereby two or more parties reach a mutually agreeable arrangement. It is one of the most commonly used and beneficial skills managers can develop. The global business environment, the diverse workforce, rapid pace of change, and shift toward teams and empowerment all require managers to hone their negotiation skills.

The Negotiation Process

All negotiations share four common elements:

- The parties involved are in some way interdependent
- The parties are in conflict over goals and processes
- The parties involved are motivated and capable of influencing one another
- The parties believe they can reach an agreement.

These four elements come into play at different stages of the negotiation process presented. While most of us think of the third and fourth stages—bargaining and agreement—as the heart of negotiation, most experts emphasize the importance of both careful and thorough preparation and presentation in negotiating well and successfully. As we will discuss in the next section, culture plays a significant role in all phases of negotiation.

The first or preparation phase includes gathering factual information about the issues and alternatives and acquiring "softer" information about the other party's interests, positions, personality, and style. Intense preparation not only leads to a better outcome, but also reduces the anxiety of negotiation. The second phase is the presentation of initial offers and demands, either orally or in writing. Careful choices of words and self-presentation to project the right image through effective verbal and nonverbal communication are essential in this phase. The third phase is the actual bargaining in which managers use various negotiating strategies to reach an agreement. Their preparation concerning facts and people can strengthen their position. Active listening, feedback, persuasion, and the various communication techniques and barriers we reviewed in all come into play in this phase. The final phase is the agreement that closes the negotiation process. The agreement is finalized and put into a format that is acceptable to both parties.

As indicated in the process of negotiation is continuous. Once an agreement is reached, negotiation over clarification and implementation are likely to continue. Additionally, one party can stop the negotiation process at any time, forcing all to restart the process.

Ethics and Negotiation Negotiating to get what you need raises a number of ethical dilemmas. Should you always tell the truth? Should you be up front and reveal your game plan? What can you ethically not tell? These are difficult questions that arise regularly in all formal and informal negotiations. Below are some typical ethical violations to avoid; they are progressively more serious:

- **Selective disclosure:** Negotiators highlight positive information and downplay or fail to mention negative information.
- **Misrepresentation:** Negotiators misstate facts or their position; for example, they misrepresent the lowest price they are willing to accept.

Notes

- **Deception and lying:** Negotiators give the other party factually incorrect information or information that leads to incorrect assumptions or conclusions.
- **False threat and false promises:** Negotiators provide misinformation about actions that they may take and concessions they may be willing to make.
- **Inflict direct or indirect harm:** Negotiators intentionally sabotage the other party's chance of success.

Any of these violations is likely to occur in negotiations. The last two, giving false information inflicting harms, are the most severe violations, although how a negotiator ranks the others depends on his values and morals, and in some cases, his culture. Provide some guidelines for monitoring your own ethical behavior.

5.4 Culture and Negotiation

Globalization has increased the frequency of cross-cultural negotiations. Given that negotiation involves exchange, interaction, and communication, culture's impact on this process is significant. Knowing how culture affects negotiations and having information about another party's culture allow for more focused preparation, clearer presentation, better bargaining, and more effective agreement.

The various cultural dimensions we discussed in all affect the process of negotiation. Managers from masculine cultures are likely to be more assertive and independent, see negotiation as a competition, and focus on winning at all costs. Managers who value uncertainty avoidance (e.g., from China or Japan) will rely on bureaucratic rules and established procedures and rituals when negotiating, whereas those from cultures that are more comfortable with ambiguity, such as North Americans or Scandinavians, will be comfortable with free flowing discussions that may yield more creative solutions.

The power distance and individuality-collectivism dimensions further affect the negotiation process. Low power distance will likely lead to open sharing of ideas and cooperative behaviors during negotiation, whereas individualism will emphasize self-interests. Managers from collectivistic cultures are likely to consider building relationships essential before bargaining. Negotiators from individualistic cultures will often have the authority to make the decision on their own while those from collectivistic cultures will tend to seeks their group's input, a factor that may slow down the process.

High and low context is another cultural dimension that influences negotiations. Negotiators from high-context cultures rely on the context, various nonverbal cues, and situational factors to communicate with others and understand the world around them.

Those from low-context cultures, such as Germany or Canada, pay attention to what is said and written and want clear, formal written documentation of all agreements. Those from high-context cultures, such as Korea or Vietnam, will look for subtle cues, read between the lines, and operate on trust and implicit agreements.

Negotiators from cultures where display of emotions is accepted, such as Italy or Brazil, may upset their British, low emotion counterparts, with an outburst or show of emotion. Additionally, those who are focused on the present and have a short-term orientation, for example the United States, may be confused when their Egyptian counterparts keep referring to events that happened in the past and consider them an integral part of their discussion. According to a recent survey that compared 2,500 professionals from eight countries on their reactions to negotiation, 39% of Americans report being anxious about negotiating, the highest percentage, while Germans are the most positive, and Indians are most confident.

While none of these culturally based negotiation styles is either right or wrong, they add considerable complexity, subtlety, and confusion to an already difficult process. In addition to national culture, many ethnic, gender, or other group-based values affect how people negotiate.

5.5 Culture Influences Negotiations

Different people negotiate different ways. An older gentleman might negotiate one way, while a single mother of three might negotiate another way. These differences are not only present here in the U.S., but also when we negotiate with individuals from other countries. Culture influences how individuals negotiate and how they view and interpret the negotiation process.

If we understand that negotiations are conversations aimed at reaching an agreement, and if we can also understand that different cultures reach agreements in different ways, then we have the basis of international negotiations, that is to say how one culture may look at the negotiation process totally different than another. These differences can create conflict in the process.

Cultural Differences

There are several main areas where cultural differences impact negotiating. The following are all differences that may arise during the negotiation process due to cultural differences:

- Desire for a long-term relationship or just a one-time deal
- Preference to win negotiating or preference for a win-win negotiation
- Informal or formal attitude
- Direct or indirect communication style
- Show emotion or hide emotions
- Decisions made by the group or by the leader
- Let's look at each of these points to get a better idea of how they could affect negotiations.

First, we can discuss whether the negotiating party is looking for just a one-shot type of business or a long-term relationship. While some markets might be looking for just a contract (Spain, for example), members of other countries might be looking for a long-term relationship (India, for example).

Next, we have the win-win thought process of negotiations. Some cultures look at negotiating as a win-win type of process (as the Japanese do), but countries like Spain typically do not view the negotiation that way. They prefer to win the negotiation and are not as concerned with the win-win proposition.

Personal style also plays a cultural part in negotiations. Specifically, is a person more formal (professional, detailed, structured and businesslike) or informal (more personable, wanting to connect with the other party) when it comes to negotiating? As it relates to negotiating, the Germans are more formal, where individuals from Mexico are more informal. This formality helps guide how these two different cultures negotiate and, in turn, how you should negotiate with them.

Tied somewhat to the aspects of formal or informal culture is the aspect of whether individuals in the culture communicate directly or indirectly. An example of this is in negotiations, 'yes' does not mean 'yes' with the Japanese. 'Yes' means 'I understand' and is a very indirect means of communicating. On the other hand, the Israelis believe in very direct communication, which can sometimes feel off-putting to those that do not understand this cultural difference.

5.6 Affect of International Cultural Differences on Negotiations

Cultural norms, such as physical touching, an aversion to touching, periods of silence during meetings or a casual approach to time can be unfamiliar or disquieting to people from different cultures.

Four Dimensions of Culture to Consider in International Negotiations

There are four dimensions of culture as described in Hofstede's Model of International Culture. Geert Hofstede developed this model while working for IBM with its hundreds of thousands of employees throughout the world. Taking these dimensions into consideration during international negotiations can help you be more successful.

1. **Power Distance:** In some countries, the levels of power are distinct and understood internally but may not be apparent to outsiders. For example, in Russia, power tends to be concentrated at the top. Executives or government officials may negotiate an agreement, only to have it re-negotiated by higher-level officials.
2. **Individualism/Collectivism:** People in a culture may think of themselves in terms of the individual or as members of a connected group, or collective. In the United States, people score highly in individualism while Pacific Rim countries, such as China and Japan, tend to be more collectivist. This thought process influences the way societies are organized and decisions are made.

3. **Masculinity/Femininity:** The third element refers to the extent to which societies endorse what is considered traditional or stereotypical masculine and feminine characteristics. For example, aggressiveness and competition are often considered "male" characteristics, while a focus on relationships and cooperation are traditional "female" characteristics. Many Scandinavian countries score higher on quality of life in relationships while other cultures, such as the United States and Mexico, score higher on the competition.
4. **Uncertainty Avoidance:** Uncertainty avoidance refers to the extent to which someone is comfortable with unstructured or uncertain situations. Some cultures are uncomfortable with ambiguity; in negotiations, business people would seek rules and regulations to guide them. Other cultures are low in uncertainty avoidance, and more relaxed about negotiations. Americans tend to be comfortable with uncertainty.

These elements describe cultural values in a general way and certainly not all people in a given culture will adhere to each and every aspect. These can, however, be broad descriptions of how different cultures approach negotiations.

5.7 The Role of Gender in Negotiation

Seemingly every few months a major media source highlights the salary differential between men and women, a difference apparent in nations around the world. Just recently Bernard (2010) wrote about this gender pay gap, pointing out that women in the United States earn 77 cents for every dollar earned by men. She highlighted the multiple explanations frequently used to explain this gap (e.g., women's time away from the workforce for childcare and resulting lesser experience than men, men's employment in higher paying industries than women) and that these explanations together do not fully explain why women earn less than men. She also, however, included a reason less frequently cited in the popular press until recently, but which is recognized in research as an important explanation of the gender pay gap: how gender impacts compensation negotiations. Compensation negotiations are similar in many ways to other types of negotiations. Thus, it is not surprising that our understanding of gender in compensation negotiations is informed by research relating gender to the negotiation process more broadly.

Systematic research focusing on gender's role in the negotiation process has grown, especially over the last decade, and evidence has accumulated to illustrate the nuanced ways gender impacts negotiations (Kray, 2007; Kray, Galinsky, & Thompson, 2002; Kray & Thompson, 2005; Kray, Thompson, & Galinsky, 2001). In this chapter we address how gender is conceptualized, why gender impacts negotiations, and when gender is likely to have a stronger impact on the negotiation process. Understanding these factors should help negotiators achieve stronger negotiation outcomes, for women and men alike.

Defining Gender

We define gender in a manner consistent with negotiation research. Specifically, a distinction exists between sex, which biologically categorizes males and females, and gender, which includes both cultural and psychological markers of sex. Negotiation research typically gathers data by sex (indicating negotiators as male or female), and even two decades ago this was the most frequently tested individual difference in negotiation research (Walters, Stuhlmacher, & Meyer, 1998). Even when measuring sex, however, research typically explains findings using a theoretical rationale that focuses on gender. For example men and women's actions are explained by prescriptive stereotypes dictating how they should act. As a result of this focus on gendered explanations, researchers suggest the term gender rather than sex be used in negotiation and gender research (Kray & Babcock, 2006). We use the term gender in this chapter.

As will become evident, this term makes sense given a second distinction related to gender – the idea of gender roles (e.g., Bem, 1974). To understand gender roles ask yourself how much you identify with each of the following traits: Do you consider yourself "analytical," "competitive," "dominant," or someone who "has leadership abilities"? Now, consider the following traits: Do you consider yourself "sensitive to the needs of others," "warm," "compassionate," or "gentle"? Quickly you can assess whether the first versus second set of traits better reflects you, and this should give you an idea of your own gender identity. These questions measure the extent to which you are masculine (high on the first set of items), feminine (high on the second set of items), or androgynous (high on both).

The idea of gender roles is important for understanding gender in negotiation for two reasons. First, gender roles highlight an important point about making comparisons among groups based on individual differences such as country (e.g., Spanish or Chinese) or gender (men or women): Sometimes a man is more different from other men than he is from women, and the same is true for some women. Just think about the men you know; do they differ from each other in terms of gender roles? In your mind identify a woman who differs a lot from others of the same gender; maybe it is you. Because she violates aspects of the traditional feminine gender role this woman may upset a negotiation counterpart who is expecting that she will behave "like a woman should act." This is because gender roles typify what is expected of men and women. As will become evident in the following sections, these expectations, and associated perceptions and behaviors, play an important role at the negotiation table.

Do Gender Differences Exist at the Bargaining Table?

Nearly four decades ago in 1975, in the first textbook on negotiation, authors Rubin and Brown included a section about women's versus men's performance; they argued that men and women held different foci at the bargaining table. Men's focus on maximizing their own earnings meant that they either competed or cooperated, depending on the situation. Women, on the other hand, held an interpersonal orientation and focused on relationships. These claims – for gender differences at the bargaining table – stood without much empirical evidence for decades. In fact, with few exceptions, contemporary negotiation textbooks continue to overlook the role of gender in negotiation. Possible explanations for this omission range from an apparent belief that gender accounts for little variance in negotiation outcomes (a view espoused by texts emphasizing cognitive biases driving negotiation outcomes; e.g., Bazerman & Neale, 1992) to a lack of definitive answers about gender's role at the bargaining table. However, given the surge of scholarly interest in this topic over the last 15 years, a body of research now explains gender's role in negotiation clearly and convincingly.

Notes

One particularly important empirical advance is the recognition that both gender and context must be considered (Kray et al., 2002; Kray & Thompson, 2005; Kray et al., 2001; Stuhlmacher & Walters, 1999; Walters et al., 1998). Prior to this acknowledgment, the majority of research focused on gender in isolation and across contexts. This initial work left many vital questions unanswered because of discrepant findings across studies. Some individual papers show no gender differences at the bargaining table and others show significant gender differences. Helpful in summarizing these seemingly discrepant empirical findings are meta-analyses, which statistically combine disparate research findings across studies. Meta-analyses suggest the answer to our original question of whether gender differences exist is yes – men and women do show two reliable gender differences related to negotiations. First, men's behavior on average is more competitive than is women's behavior (Walters et al., 1998). Second, men's economic negotiation outcomes are typically better than are women's economic outcomes (Stuhlmacher & Walters, 1999). Notably, however, these two gender differences are statistically small in size, meaning the simple effect of gender on negotiation outcomes does not help us explain much of the variance in negotiation outcomes.

At first blush, the small effects reported in these meta-analyses suggest gender's role in negotiation is unimportant. However, this is an incorrect conclusion for three main reasons. First, gender effects remain important because even small gender differences are likely to compound over time (Kray, 2007). Martell, Lane, & Emrich's (1996) computer simulation of the impact of gender bias illustrates this point. Starting with a group of equal numbers of men and women, they introduced a 5% gender bias (against women) in evaluations. After multiple rounds of promotions, women accounted for only 29% of the top-level positions. So, what if the gender bias was less? Even introducing a 1% bias in evaluations resulted in women holding only 35% of the top-level positions. Likewise, negotiators facing a real-world salary negotiation showed that relatively minor gender differences in initiating a negotiation at the beginning of an individual's career can result in substantial lost income over a lifetime, as a lower starting salary results in a smaller base on which interest can grow and subsequent raises and bonuses are based, meaning income differences compound over time (Babcock & Lashever, 2003).

Clearly even small gender effects, when aggregated over time, can have dramatic and detrimental effects. In negotiations, these negative effects are most often reflected in women's poorer economic outcomes (Stuhlmacher & Walters, 1999).

Notes

Focusing solely only on economic outcomes, however, is limiting and likely fails to capture the actual range of gender effects in negotiations. This results in the second reason it is unwise to ignore gender effects: we have not yet studied this topic completely. Whereas research on this topic is no longer in its infancy, it remains in its "adolescence". It made sense for earlier meta-analyses to focus on economic gain (whether in points or money) because it was and still remains the most commonly assessed negotiation outcome (Kray & Babcock, 2006). However, more subjective negotiation outcomes may better represent women's negotiation performance. Further, recent research focusing on subjective negotiation outcomes suggests this broader set of outcomes not only matter but may be better predictors of long-term negotiation satisfaction (Subjective Value Inventory, Curhan, Elfenbein, & Xu, 2010). Understanding gender as it relates to economic and subjective outcomes would better represent the actual range of gender effect Third, considering gender in isolation is different than considering the effects of gender in combination with other variables considered at the same time (e.g., gender and status). We now know that, by collapsing across situational factors, we underestimate the impact of gender in negotiations. In certain situations gender plays a large role, whereas in other situations gender does not matter as much or at all. Understanding why gender differences exist will help us to identify when gender effects will be more or less pronounced. Thus, we now turn to the question of why gender matters.

Why do gender differences exist?

Explanations for why gender differences (or similarities) exist in negotiations differ, depending on which of multiple approaches researchers take; researchers have focused on the negotiation context, the negotiator, the counterpart, and specific interactions between these variables (Kray & Thompson, 2005). Related to each of these approaches, expectations of men and women help explain gender differences in negotiation.

Expectations are associated with individuals' status and power. As Ridgeway (2001) explains, status is a sign of greater social significance and general competence. Status is defined by the extent to which an individual is respected by others (e.g., Magee & Galinsky, 2008). Status is distinct from power, which is an individual's control of resources and often conferred by the roles an individual holds, including societal and organizational roles. However, often the terms are used interchangeably. When men and women have equal power in negotiations (e.g., their alternatives to the potential negotiated agreement are equal), they are equally effective at leveraging their negotiation power (Kray, Reb, Galinsky, & Thompson, 2004). Men and women typically differ in their status and power both generally and within negotiations specifically. In general status differs based on gender, with individuals associating greater trait competence with men than women (Ridgeway, 2001). Likewise, within negotiations traits typically associated with men and not with women are related to being a competent negotiator. In fact, Kray (2007) referred to the traits typically associated with each gender – gender stereotypes – as the "linchpin connecting gender to negotiating effectiveness."

What exactly are gender stereotypes then? Gender stereotypes reflect the gender roles we outlined earlier. Men are rational, assertive, and highly protective of their own interests (Williams & Best, 1982). In contrast, women are passive, emotional, and accommodating of others' needs. It takes little to activate gender stereotypes. For example, stereotype threat studies of math ability show it takes as little as being presented with a "gender" checkbox prior to a difficult exam to create performance decrements for individuals threatened by a stereotype (Brown & Josephs, 1999). Research suggests group contexts where women are sole members of minority groups promote stereotype threat (e.g., Roberson, Deitch, Brief, & Block, 2003). Imagine then what women of Fortune 500 boards feel, given women's under-representation on such boards (Catalyst, 2009). Of course, the minority status of women on Fortune 500 boards is not unique; women worldwide are under-represented within upper-management. Further, gender stereotypes are consistent across nations (Williams & Best, 1982).

Stereotypic traits associated with men are also associated with being an effective negotiator. As authors Kolb and Williams (2000, p. 28-29) note, "the effective negotiator… turns out to look remarkably like a man: independent, self-confident, active, objective, and unruffled by pressure. Thus, men are often perceived as better negotiators than women." As Kray and Thompson (2005) summarize, attributes associated with being an effective negotiator include "strong," "dominant," "assertive," and "rational" – all attributes associated with males. In contrast, attributes associated with being a weak negotiator include "weak," "submissive," "accommodating," and "emotional" – all attributes associated with females. More recent research focuses on additional traits associated with women and which are also disadvantageous in negotiations. For example, Kray (2010) focused on the gullibility component of the female stereotype, which suggests that women are more gullible or naïve than men (Bem, 1974; Prentice & Carranza, 2002). Presuming women are more gullible, deceiving women should be easier and thus more frequently attempted. Consistent with this hypothesis, in a buyer-seller real estate negotiation, women sellers were deceived more than were male sellers. This research makes clear that multiple aspects of gender stereotypes impact how negotiators are treated.

Given that negotiation is a task in which masculine stereotypes are positively associated, gender stereotypes easily become activated when individuals negotiate (Miles & Clenney, 2010). That being said, regardless of their level of cognitive accessibility, gender stereotypes have more of an impact in some situations than in others. Researchers have identified that contextual cues are important because they distinguish between strong and weak situations (Mischel, 1977). In strong situations, individual difference

Notes

variables like gender play less of a role. In contrast, in weak situations gender plays a larger role. For example, when negotiation issues are unclearly defined, a weak situation exists and gender impacts the negotiation more, meaning gender effects should be larger. In contrast, if negotiation issues are clearly defined, a strong situation exists and gender should play less of a role, meaning gender effects are smaller. This idea of weak and strong situations was tested in the research of Bowles and colleagues (Bowles, Babcock, & McGinn, 2005). They had career service professionals rate 13 industries in which 525 MBA students took jobs as either high-or low- ambiguity negotiation situations. In low-ambiguity situations (i.e., strong situations), MBA students were able to find specific information about salaries, so they better knew what salary to negotiate. In high-ambiguity industries (i.e., weak situations), MBA students were unsure of what salary to request. Results show no gender differences in the low-ambiguity context; when students knew how much to ask, men and women obtained similar salary amounts. However, in high-ambiguity situations women accepted salaries 10% lower than those taken by men.

When the context was weak (ambiguous), gender played a larger role in negotiators' economic outcomes. In weak contexts, gender stereotypes especially impact negotiations if the stereotypes are more salient. Stereotypes are more salient when negotiators carry gendered associations (e.g., the sex role stereotypes we discussed earlier) or if the context is gendered (Bowles & McGinn, 2008). The context can be oriented such that it is masculine, feminine or androgenous. Organization contexts such as upper-level management are often male-dominated and masculine, which is related to the often-documented male advantage in negotiations (Kray & Thompson, 2005). Ayres and Siegelman (1995) provide an example of this within the male-associated context of car dealerships. They had women and men actors follow the same script to inquire about purchasing a car. Price quotes received by women were significantly higher than those received by men, a pattern of gender discrimination by car salespeople that placed women at a disadvantage for negotiating a car. Now consider negotiations related to traditionally female-stereotyped roles such as negotiating for aspects of the home domain (e.g., for childcare). Stuhlmacher and Walters (1999) suggested in such tasks male negotiators may not have an advantage, and empirical research supports this, showing no gender differences in negotiations of childcare (Miles & LaSalle, 2008). That the task occurs in a female-stereotyped role may be enough to justify men's – and women's – competence in related negotiations (Miles & Clenney, 2010). Finally, in specific situations there may be no predetermined gender expectation. For example, a recent study of lawyers suggests women negotiators are viewed similarly to their male counterparts; it may be that, at least when lawyers participate in negotiations, the role of lawyer supersedes gender roles (Schneider, Tinsley, Cheldelin, & Amanatullah, 2010). Even these authors are careful to note, however, that this effect may not generalize from specific legal case negotiations to more general aspects of being a female lawyer.

More often than not, women are viewed as less competent negotiators than men. Aware of the stereotype and the associated disadvantage, women negotiators may experience stereotype threat (Steele, 1997), which refers to the concern individuals feel when faced with a situation that may confirm a negative stereotype about a group to which they belong. Kray, Thompson, and Galinsky's (2001) study shows the impact of stereotype threat in buyer-seller negotiations. One group of negotiators was told the task was indicative of their actual negotiation ability, a focus predicted to introduce doubt (stereotype threat) for women. The second group was told the negotiation was an exercise designed to introduce core negotiation concepts and to promote learning (no stereotype threat). Experiencing stereotype threat, women in the first group did worse than men. In contrast, women's performance in the second group did not differ from men's. The content of the stereotype also matters (Kray et al., 2002). Whereas in less carefully controlled environments, including the real world, stereotypically female traits are generally linked to poor negotiation performance, multiple traits considered to be important in negotiation success are feminine in nature. Thus, it is possible to emphasize that either feminine traits or masculine traits lead to poorer negotiation performance, especially in more controlled situations. Kray and colleagues did just this and found that, when the link between stereotypically feminine traits and good negotiation performance were emphasized, women outperformed men.

Given that people typically link stereotypically masculine traits to negotiation success (Kray et al., 2001), in the real world stereotype threat often results in women's lower negotiation performance. In part this is because stereotype threat can reduce individuals' goals (Kray et al., 2002). In negotiations, men tend to set higher goals than women. For example, Bowles and colleagues (2005) found that male buyers set goals that were 9.8% higher than women's. Setting high goals in negotiation is very important because goals mediate the relationship between stereotype activation and performance. Activated stereotypes hurt women's negotiation performance by lowering the goals set by women (Kray et al., 2002). Lower goals often translate into lower performance. For example, in a study of compensation men set goals 5% higher than women set them, despite understanding the negotiation situation equally (Stevens, Bavetta, & Gist, 1993). By the end of the negotiation, men outperformed women. Notably, negotiators focused on a high goal make higher first offers and achieve better outcomes (Galinsky & Mussweiler, 2001; Galinsky, Mussweiler, & Medvec, 2002).

Facing stereotype threat, can female negotiators overcome the associated negative outcomes? Yes, and they can do so by working to disprove the stereotype. We know that people psychologically react when they perceive a threat to their behavioral freedoms, often pushing against the perceived barrier (Brehm, 1966). Faced with the negative implications of a stereotype, people show stereotype reactance. Within negotiations women show stereotype reactance when reminded explicitly of stereotypes (Kray, Thompson, & Galinsky, 2001). Negotiators reminded only of factors associated with performance in negotiations, such as being "relational and assertive" and demonstrating "a regard for [one's] own interests throughout the negotiation, rather than being emotional, passive, and overly accommodating," showed signs of stereotype threat; women under performed when compared to men. In contrast, negotiators reminded of all of this and of gender stereotypes (that personality differs between genders and that "male and female students have been shown to differ in their negotiation performance") showed signs of stereotype reactance; women outperformed the men. In fact, just being reminded of sexist remarks endorsing gender stereotypes by a university authority figure – remarks not specific to negotiation – are enough to encourage stereotype reactance at the bargaining table (Kray, Locke, & Haselhahn, 2010). So, what explains women's better performance in the stereotype reactance group? At least two factors do: setting higher first offers and expectations for performance at the bargaining table (Kray et al., 2010).

First offers are important because they anchor the negotiation (Galinsky & Mussweiler, 2001). When women are exposed to the blatant endorsement of gender stereotypes, they tend to give more assertive first offers. These assertive first offers provided an advantage through the entire negotiation process. Women faced with stereotypic remarks also set higher expectations for themselves than men did, and the women's higher expectations became self-fulfilling.

Of course, negotiators do not act individually, and we know that expectations shape both the behavior of the expectancy holder and his or her interaction partner (Snyder & Swann, 1978). The implication is that negotiators and their negotiation counterparts enter negotiations with expectations. Consider an example of the resulting dynamics: faced with a female negotiator, a male negotiator may expect weakness consistent with a feminine stereotype. Based on this expectation, the counterpart treats the female negotiator in a condescending manner. Perceiving this condescending manner she may find it hard to concentrate on the negotiation, resulting in her inability to fully understand all of the issues within the negotiation and how they might be optimally packaged in an integrative agreement. Clearly, expectations matter to the negotiator and negotiation counterpart.

The role of expectations in counterpart's reactions is especially apparent when negotiators deviate from expectations. Returning to the above example, what would happen if the female negotiator made an assertive first offer that was incongruent with what the negotiation counterpart expected of a female negotiator? Research indicates he likely would dislike her. Counterparts' negative responses to behaving in a counter-stereotypic fashion can take the form of social and economic reprisals – termed a backlash effect (Rudman, 1998). This backlash effect is apparent in organizations broadly. For example, women who are more successful at stereotypically male tasks are more personally derogated than men, which then impacts resource allocation at work (Heilman, Wallen, Fuchs, & Tamkins, 2004). Likewise, research shows men who violate gender norms are viewed as more ineffectual and given less respect than women (Heilman & Wallen, 2010). Backlash is also apparent in negotiations. In compensation negotiations dominance is required. Dominant behavior is associated with men and directly contradicts the warmth or friendliness expected from women, and thus more backlash is experienced by women who initiated compensation negotiations than men (Bowles, Babcock, & Lai, 2007). Further, when the gender of the person penalizing is included, men only penalized women negotiators and women penalized both men and women for initiating compensation negotiations. This is consistent with evidence showing higher-status individuals (men) penalize other higher-status individuals (men) less than lower-status individuals (women) penalize them (Bowles & Gelfand, 2010).

These findings suggest that it is not always good advice for women to act like men. Acting both masculine (competent) and feminine (nice) simultaneously may help mitigate backlash in contexts that do not include issues of dominance; however, it does not seem to work within negotiations, which inherently require dominance (Bowles et al., 2007). There are, however, ways women may escape backlash. Women can hold a socially validated high-status role with clear role expectations. They can also communicate concerns in a gender-role consistent way Recall that evidence suggests female lawyers do not experience backlash when negotiating (Schneider et al., 2010). Their externally-conferred, high-status position of lawyer may mean female lawyers' negotiation behavior is not seen as challenging existing status ranks; they already have high status granted to them by others. There are also clear normative behaviors expected of these women based on their occupational role. Finally, advocating on behalf of another person is consistent with gender stereotypes that dictate women show a high concern for others. In effect, it may be that their occupational expectations promote assertiveness in negotiations.

Additionally, women may lessen or avoid backlash by communicating their concerns in a way that is feminine (i.e., focused on the collective) rather than masculine (i.e., focused on self-interest). Evidence shows that women request more salary in response to a hypothetical compensation negotiation when requesting for another person than for themselves (Wade, 2001). What is the reason for this difference? Amanatullah and Morris (2010) suggest negotiators' foci relate to the backlash they anticipate and their research results support this assertion. When women negotiate for themselves, they anticipate backlash and lower their level of assertiveness, using fewer competing tactics. When women advocate for another, women do not expect backlash and do not alter their assertive behavior, resulting in better outcomes. Thus, it is possible one way women may lessen or avoid backlash in negotiations is to behave in ways that are both competent and focused on others. However, given that only minimal research exists showing this solution, future research is needed to confirm the effectiveness of this strategy.

5.8 Seven Elements of Effective Negotiations

December 2008 – Jerome Slavik Adapted from Getting To Yes – Negotiating Agreements Without Giving In, R. Fisher and W. Ury

Notes

1. **Relationship: Am I Prepared to Deal with the Relationship?**
   - (a) A good negotiating relationship is needed to address differences and conflicts.
   - (b) Separate people issues from substantive issues.
   - (c) Plan and prepare to build and maintain a good working relationship.
   - (d) Be respectful, trustworthy and unconditional constructive.
2. **Communication: Am I ready to Listen and Talk Effectively? Creating a Learning Conversation**
   - (a) Core Skills – Basic Communication Skills in Negotiation
     - (i) Active listening – To do active listening, we must overcome some of our tendencies and habits that interfere with good listening.
     - (ii) Acknowledging what has been said and felt – Have you effectively demonstrated to the other negotiators that you have heard and Understood what they have said? Use paraphrasing and summarizing.
     - (iii) Listen to understand, speak to be understood – Have you thought about ways to communicate with the other party by using words (and at the right time) in a way that they will understand?
     - (iv) Speak about yourself, not them – Have you let them know what are the crucial issues for you and your community and how you feel about the problem at hand? Use "I" statements.
     - (v) Speak for a purpose – Have you thought through the timing and impact of what you wish to say? Be clear and concise.
   - (b) Core Skills – Communications to Gather Knowledge and Learn About Their Interests
     - (i) Clarifying and Probing Skills
       - Have you thought about basic questions for clarification (including empathetic questions) you might ask to draw out the interests from the other negotiators? E.g. can you explain...?
       - Could you use consequential questions to draw out the other side? E.g. what would you need to...?
     - (ii) Integrative Framing Skills
       - Paraphrasing – Have you given feedback in your own words or what you understand the key concerns and interests on the other side to be?
       - Summarizing – Can you accurately draw together the main points of the discussion up to that point in time?
3. **Interests: What Do People Really Want?**
   - (a) Collectively identify and articulate the interests, concerns, and needs of all relevant parties (mine, yours, theirs). Remember: most parties do not know all their interests or necessarily agree on their interests.

(b) Identify and prioritize community interests together. Get on the same page.

(c) Probe for your and their unarticulated or underlying interests.

(d) Share and clarify the respective interests of the parties. Move beyond speculation about to acknowledgement of their interests.

(e) Identify and share common interests as a basis to develop options.

(f) Interests from the agenda.

4. **Options: What are the Possible Agreements or Bits of an Agreement?**

(a) Design options, not positions.

(b) Create options to meet interests of both parties.

(c) Remember when designing options they also must transparently meet their interests. Find ways to maximize joint gains for both.

5. **Alternatives: What Will I Do If we Do Not Agree?**

(a) Do we need to negotiate or can we satisfactorily meet our interests in other ways?

(b) Identify and articulate our best/doable alternatives to a negotiated agreement.

(c) Fully understand the implication, consequences, risks and costs of your and their BATNA.

(d) Select and improve our BATNA

(e) Identify the best and worst alternatives open to the other side.

(f) How can we make their BATNA worse for them? (i.e. keep them at the table)

6. **Legitimacy: What Criteria will I Use to Persuade each of us that we are not being Ripped Off?**

(a) Fairness is a governing consideration.

(b) Use external criteria and objective standards as a basis to legitimize your preferred options and as a shield against unreasonable proposals from the other side.

(c) Use demonstrable "fairness" of the process and outcome to persuade them of the merits of a proposal.

(d) Offer their negotiator an attractive way to explain his decision to his principals (see number 8).

7. **Commitment: What Commitments Should I Seek or Make?**

(a) Get commitments at the end not the beginning.

(b) Identify all of the implementation issues to be included in the agreement. No post-argument surprises?

(c) Plan the timeframe and steps to implement the agreement.

8. **Conclusion:** What is a Good Outcome?
   - (a) Meets interests.
   - (b) Demonstrably fair.
   - (c) Better than BATNA.
   - (d) Doable.

Negotiating across national and cultural boundaries raises additional challenges for negotiating participants. All of us are a product of the culture and geographical areas where we were raised and live. Culture creates biases in our perceptions, motivations, interests, and strategies, which may give rise to a host of conflicts in the negotiating process. Aspects of culture that may affect negotiations include language, dialect, societal norms, business etiquette, religion, values, cuisine, hygiene, comfort, and personal preferences. International negotiations are also often impacted by historical events, nationalism, legal restrictions, tariffs, geographic distance, topographic conditions, multilateral alliances, and political conflicts.

5.9 Ethics

Our goal is to distinguish among different criteria, or standards, for judging and evaluating a negotiator's actions, particularly when questions of ethics might be involved. An ethical dilemma in business exists when a manager faces a decision "in which the financial performance (stand in terms of the obligations to the individuals and groups associated with the firm) are in conflict." Analogously, an ethical dilemma exists for a negotiator when possible actions or strategies put the potential economic benefits of doing a deal in conflict with one's social obligations to other involved parties or one's broader community.

Many writers on business ethics have proposed frameworks that capture competing ethical standards. Drawing on some of these writers (Green, 1993; Hitt, 1990; Hosmer, 2003), here are four standards for evaluating strategies and tactics in business and negotiation:

1. Choose a course of action on the basis of results I expect to achieve (e.g., greatest return on investment).
2. Choose a course of action on the basis of my duty to uphold appropriate rules and principles (e.g., the law).
3. Choose a course of action on the basis of the norms, values, and strategy of my organization or community (e.g., the cultural value and norms).
4. 4. Choose a course of action on the basis of my personal convictions (e.g., what my conscience tells me to do).

Each of these approaches reflects a fundamentally different approach to ethical reasoning. The first may be called en-result ethics, in that the rightness of an action is determined by evaluating the pros and cons of its consequences. The second is an example of what may be called duty ethics, in that the rightness of an action is determined by one's obligation to adhere to consistent principles, laws, and social standard that define what is right and wrong and where the line is.

The third represents a form of social contract ethics, in that the rightness of an action is based on the customs and norms of a particular community. Finally, the fourth may be called personalistic ethics, in that the rightness of the action is based on one's own conscience and moral standards.

Ethics are moral standards, not governed by law, that focus on the human consequences of actions. Ethics often require behaviour that meets higher standards than that established by law, including selfless behaviour rather than calculated action intended to produce a tangible benefit.

Ethics are sometimes in conflict with individual and corporate self-interest. Ethics are a product of a society's culture that includes its traditions, customs, values and norms. Members of a culture often take ethics for granted. They implicitly understand the requirements of relationships, duties, and obligations between people and groups and distinguish between their self-interests and the interests of others. When there is conflict between groups, it is usually because sub-cultures within a society have different ethical standards or significantly different interests. Under these conditions, the resolution of competing group interests becomes problematic.

Similarly, when two or more countries interact, they often find that their ethics and understanding of social responsibility issues suggest that there is a relationship between ethics and legality. An important distinction, however, is that ethics are complied with voluntarily as in the case of the Body Shop, whereas compliance with the law is often involuntary. In effect, when a company breaks a law, it is of no consequence unless detected and then enforced.

5.10 Nature and Value of Management Ethics

Ethics can be defined as the systematic attempt to make sense of individual, group, organizational, professional, social, market, and global moral experience in such a way as to determine the desirable, prioritized ends that are worth pursuing, the right rules and obligations that ought to govern human conduct, the virtuous intentions and character traits that deserve development in life, and to act accordingly. Put thing more simply, ethics refer to the study of individual and collective moral awareness, judgement, character and conduct.

Individual Character Ethics

Individual character ethics maintains that the identification and responsible development of the human traits of nobility – such as courage, moderation, justice, prudence, gratitude, sense of humour, self-discipline, reliability, benevolence, authenticity, caring, sincerity, understanding, and wisdom – determine both the instrumental and intrinsic value of all human ethical interactions; for example, if as I lose my health, my wealth, and my loved ones through no fault of my own, I retain my dignity and prospects for happiness by living a virtuous life.

Work Character Ethics

Work character ethics maintain that the identification and responsible development of noble, reflective, practitioner traits at work – such as competence, creativity, honesty, fairness, trustworthiness, co-worker appreciation, task completion, honour, loyalty, shared work pride, diligence, resourcefulness, level-headedness, tolerance, dependability, civility, empathy, conscientiousness, discretion, patient urgency, cooperativeness, and supportiveness – determine both the instrumental and intrinsic ethical quality of work life; for example, as a manager facing global competition, heightened productivity expectations; and the need for effective teamwork, it is essential that the character of my work performance serve as a role model for task accomplishment and considerate relations at work.

Professional Character Ethics

Professional character ethics maintain that credentialed expertise, licensed monopoly, self regulation, altruism, trust, truthfulness, autonomy, impartiality, loyalty, independence of judgement, and public service determine both the instrumental and intrinsic ethical quality of individuals in associational communities; for example, as a business manager for a firm of surgeons who detects a pattern of double billing Medicare insurance claims, my professional character ethics would require me to bring this matter to the immediate attention of the surgeons in-charge, to exhaust internal remedies to correct the situation in-house, and to be prepared to engage in responsible, external whistle blowing if all else fails, because of loyalty to a professional code of ethics.

5.11 Four Perspectives on Ethics

Four perspectives for understanding ethics are the descriptive, conceptual, normative, and practical. The practical interests of the individual or group exploring ethical questions influence the appropriateness of each perspective.

1. The descriptive approach is the study of ethics using the methods and theories of social science. Researchers study the ethics of particular society or corporation and explain their effect on behaviour without making judgements concerning their correctness. For example, social scientists can ask executives in various industries to answer a questionnaire about their business practices. When compared across industries or nations, the data provide insights into behaviour that is considered ethical by the executives.

2. The conceptual approach focuses on the meaning of key ideas in ethics such as obligation, justice, virtue, and responsibility. The emphasis is to refine definitions of important ethical concepts through philosophical analysis. This approach is useful for students of ethics including academics and members of the legal system.
3. The normative approach involves constructing arguments in defense of basic moral positions and prescribing correct ethical behaviour. These arguments may rely on social science studies and conceptual clarification, but they focus primarily on the rationale for a particular position, often on the basis of logic as much as empirical evidence.
4. Finally, the practical approach, a variant of the normative perspective, involves developing a set of normative guidelines for resolving conflicts of interest to improve societal well-being (French and Granrose 1995). Because most organizations are concerned with achieving short and long-term goals in a competitive environment, the utilitarianism of the practical approach makes it the most widely used by members of organizations.

Ethics and Individual Behaviour

Individual employees act within an organizational context, including its value system, business philosophy, ethical codes, and business practices. These may not be congruent with employees' personal moral beliefs and ethics. Nonetheless, the organization influences its members' behaviour in critical ways including relations with superiors, subordinates, customers, and competitors.

Organizational Ethics

Ethical conflicts develop as a result of variations in ethical codes, moral standards, social values, and laws in different cultures. Complicating these issues is that not all organizations within a society adhere to the same ethics, morality, or respect for law. Of course, ethical relativism challenges the idea that these are ethical issues.

One way to examine ethical and social responsibility issues is to distinguish between those that are primarily internal to organizations and those that affect interactions between organizations. Frequently, when internal organizational issues raise ethical concerns, they eventually affect relations between organizations.

Internal Ethical Issues

Internal ethical issues primarily affect the conduct of organization members. These may include explicit policies and practices of organizations, laws in a particular place, or cultural values that prescribe certain behaviours, such as the following:

1. **Discrimination:** Many societies give preference to members of certain groups. Race, ethnicity, age, gender, geographic region, and religion are variables used to discriminate. In some cultures, not being a native of the society is a basis

Notes

for employment discrimination. Discrimination can be overt or covert and can determine hiring and promotion. It can also discourage group members from seeking certain types of employment or expecting career advancement.

2. **Safety:** In many countries: both developing and developed – workers' safety standards fail to provide adequate protection and create conditions that threaten workers' health. Unsafe working conditions, along with child and prison labour, are often part of a strategy to gain competitive advantage. They can also be a culture based manifestation of indifference to human suffering.
3. **Compensation:** Workers' wages vary considerably around the world. In many countries, a worker's annual salary may be what a person with a similar job in another country earns in a week. From the Western perspective, many developing nations pay incredibly low wages. However, because Western companies transplant their manufacturing facilities in low-wage countries, they reinforce this practice. It should also be noted that even in economically advanced societies, for example, the United States, "sweatshop" conditions still exist in urban areas with immigrant populations and in rural areas where employment opportunities are restricted or unions are unable to organise workers.

5.12 Child Labour

Many less-developed countries practise child labour extensively. It raises questions similar to those of prison labour – which is also found in many developing nations – with the additional concern of corporate responsibility for establishing appropriate social welfare and educational institutions in a society.

Within a society, these practices may not only be legal but ethical. Only when cultures with different value systems object, they become ethical issues. An example of change caused by ethical value conflict is the formation of a coalition of major Western European and American sporting goods manufactures and child advocacy groups to combat the sale of soccer balls stitched by children in Pakistan.

Because of impoverishment, Pakistani parents in the Sialkot region of Punjab province force their children into soccer ball stitching as early as 6 years of age. According to one estimate, "Close to 10,000 Pakistani children under the age of 14 work up to 10 hours a day stitching the leather balls, often for the equivalent of $1.20 a day" (Greenhouse 1997). In Western Europe and the United States, where children play with these soccer balls, child labour is illegal and unethical.

To avoid the experience of other efforts aimed at eliminating child labour that resulted in the unemployed children entering other occupations, including making bricks and prostitution, the coalition proposed to educate the children and to place parents and older siblings in jobs or provide small loans for them to start their own business.

CASE STUDY: The Negotiation Problem

This case study shows how two parties can find a successful negotiation resolution by tackling the issues in a creative and mutually beneficial manner.

One of the biggest stumbling blocks encountered by a negotiator is to clearly understand the real issues as the root cause and basis for the negotiation in the first place. All too many times, negotiators take insufficient time to clearly identify and frame the problem or issues to be resolved and negotiated. This is the crucial first step to any negotiation. If this first phase of the negotiation process is not addressed properly, than it is quite likely that the rest the whole negotiation process will unravel because the core issues were not properly understood at the outset.

Let's look at an example case study which emphasizes the need to define and identify the problem. In this example, a substantial electronics firm faces considerable difficulties in one of their subassemblies. The root core of the problem revolved around certain types of fittings and pins that were becoming bent and distorted by the operation of the machinery. Units which were being produced were damaged and had to be rejected because of imperfections. These rejected components were put aside and then re-worked later on in the month.

This duplication of effort resulted in increased costs as workers had to work overtime to meet their quotas. These extra costs for the extra work performed had not been considered in the manufacturing budget. The manager of this subassembly line did not want be charged with these overhead expenses because he felt it was not their responsibility. Likewise, the manager who was the overseer of the final assembly department also refused to accept the increased costs to his budget. He argued that the extra costs were a direct result of the poor work of the personnel in the subassembly department as this was where the problem originated.

The subassembly department manager countered this argument by claiming that the parts were in good condition before they left his department and that the damage must have occurred in the final assembly manager's department instead. Both parties had reached am impasse.

Some time passed before a resolution to the matter was worked out that was agreeable to both parties. What both parties were really seeking was to find a long term solution to this dilemma. It was only when they truly understood the nature of the problem they were able to negotiate a reasonable solution that was acceptable to both of them.

It was ascertained that the subassembly workers had some slack time available during every working month. The damaged parts were returned in small batches form the final assembly plant so that the subassembly personnel could work on them during these slack periods. Also, when they examined the problem in more minute detail, the managers learned that some of the personnel in the final assembly plant may not have been adequately trained and may have also been partially responsible for the damaged incurred. These personnel were identified and were sent to the subassembly plant to further their training and to learn more about what transpired in that department. The resulting solution addressed the increased cost concerns of both departments on the one hand. On the other hand, overtime was reduced by allocating the personnel where and when they most needed and finally, because of the enhanced training, the number of damaged parts was considerably reduced.

The lesson to be drawn here is that the two managers were only able to address the problem when they were able to understand the real issues that lay beneath the problem as the cause for their cost overruns.

Question:

Analyse the case and discuss the case facts.

5.13 Applying Ethical Reasoning to Negotiation

For instance, in a situation involving selling a stereo and the statement to a prospective buyer about the existence of another potential buyer:

1. If you believed in end-result ethics, then you might do whatever was necessary to get the best possible outcome (including telling lie about an alternative buyer).
2. If you believed in duty ethics, you might perceive an obligation never to engage in subterfuge, and might, therefore, reject a tactic that involves an outright lie.
3. If you believed in social contract ethics you would base your tactical choices on your view of appropriate conduct for behaviour in your community; if others would use deception in a situation like this, you lie.
4. If you believed in personalistic ethics, you would consult your conscience and decide whether your need for cash for your upcoming trip justified using deceptive or dishonest tactics.

5.14 Ethics versus Prudence versus Practicality versus Legality

Discussions of business ethics frequently confuse what is ethical (appropriate as determined by some standard of moral conduct) versus what is prudent (wise, based on trying to understand the efficacy of the tactic and the consequences it might have on the relationship with the other) versus what is practical (what a negotiator can actually make happen in a given situation?) versus what is legal (what the law defines as acceptable practice?) (Missner, 1980).

Each of these approach could be used to analyse the four hypothetical standards mentioned at the beginning of the unit:

Notes

Table 5.1. Categories of Marginally Ethical Negotiating Tactics

Category	Example
Traditional competitive bargaining	Not disclosing your walkway; making an inflated opening offer
Emotional manipulation	Faking anger, fear, disappointment; faking elation, satisfaction
Misrepresentation	Distorting information or negotiation events in describing them to others
Misrepresentation to opponent's networks	Corrupting your opponent's reputation with his peers
Inappropriate information gathering	Bribery, infiltration, spying etc.
Bluffing	Insincere threats or promises

Source: Adopted from R. Robinson, R.J. Lewicki, and E Donahue's, "Extending and Testing a Five Factor Model or Ethical and Unethical Bargaining Tactics.

5.15 The Consequences of Unethical Conduct

Effectiveness

Let us first consider the consequences that occur based on whether the tactic is successful or not. Clearly, a tactic's effectiveness will have some impact on whether it is more or less likely to be sued in the future (essentially, a simple learning and reinforcement process). If using the tactic allows a negotiator to attain rewarding outcomes that would be unavailable if he had behaved ethically, and if the unethical conduct is not punished by others, the frequency of unethical conduct is likely to increase because the negotiator believes he can get away with it. Thus, real consequences – reward and punishments that arise from using a tactic or not using it – should not only motivate a negotiator's present behaviour but also affect his or her predisposition to use similar strategies in similar circumstances in the future. (For the moment, we will ignore the consequences of these tactics on the reputation and trustworthiness, an impact that most deceptive negotiators unfortunately ignore in the short-term).

Reactions of Others

A second set of consequences may arise from judgements and evaluations by the person who was the "target" of the tactic, by constituencies or by audiences that can observe the tactic. Depending on whether these parties recognize the tactic and whether they evaluate it as proper or improper to use, the negotiator may receive a great deal of feedback. If the target person is unaware that a deceptive tactic was used, he or she may show no reaction other than disappointment at having lost the negotiation. However, if the target discovers that deception has occurred, he or she is likely to react strongly. People who discover that they have been deceived or exploited are typically angry. In addition to perhaps having "lost" the negotiation, they feel foolish for having allowed themselves to be manipulated or deceived by a clever ploy.

As a result of both the loss and embarrassment, victims are inclined to seek retaliation and revenge. The victim is unlikely to trust the unethical negotiator again, may seek revenge from the negotiator in future dealings and may also generalize this experience to negotiations with others. A strong experience of being exploited may thus sour a victim's perception of negotiation contexts in the future (Bies and Moag, 1986; Werth and Flannery, 1986).

Reactions of Self

We are unaware of systematic research exploring the third set of consequences: the negotiator 's own reactions to the use of unethical tactics. Under some conditions – such as when the other party has truly suffered – a negotiator may feel some discomfort, stress, guilt, or remorse. Of course, the actor who sees no problem in using the tactic may be likely to use it again and may even begin to ponder how to use it more effectively. On one hand, while the use of these tactics may have strong consequences for the negotiator's reputation and trustworthiness, parties seldom appear to take these outcomes into consideration in the short-term. On the other hand, and particularly if the tactic has worked, the negotiator may be able to rationalize and justify the use of the tactic.

Explanations and Justifications

When a negotiator has used an ethically ambiguous tactic that may elicit a reaction – as we described above – the negotiator must prepare to defend the tactic's use to himself (e.g., "I see myself as a person of integrity, and yet I have decided to do something that might be viewed as unethical"), to the victim, or to constituencies and audience who may express their concerns. The primary purpose of these explanations and justifications is to rationalize, explain, or excuse the behaviour – to verbalise some good, legitimate reason why this tactic was necessary. There is an increasing stream of research on those who employ unethical tactics and the explanations and justifications they use to rationalize them. Most of the following rationalizations have been adopted from Bok (1978) and her excellent treatise on lying:

1. The tactic was unavoidable.
2. The tactic was harmless.
3. The tactic will help to avoid negative consequences.
4. The tactic will produce good consequences.
5. "They had it coming," or "They deserve it," or "I'm just getting my due."
6. "They were going to do it anyway, so I will do it first."
7. "He started it."
8. The tactic is fair or appropriate to the situation.

How can negotiators deal with the other party's use of deception?

1. Ask probing questions
2. Force the other party to lie or back off

5.16 Cross-cultural Ethical Issues

With economic globalization, ethical issues increasingly affect the interaction of organizations across cultures, including the following:

1. **Theft of intellectual property:** Not all countries honour copyrights and patents and many encourage piracy. This is a significant issue with the increased use of computer software, compact music discs, and other forms of proprietary information that are difficult to protect.
2. **Bribery and corruption:** Two common forms of bribes are white mail and lubrication bribes. White mail is a payment made to a person in power for favorable treatment that is illegal, or not warranted on an efficiency, economic benefit scale. Lubrication bribes are payments to facilitate, speed up, or expedite otherwise routine government approvals for things such as licenses or inspections.
3. **Intentionally selling dangerous products:** Companies sometimes export products considered dangerous in their own country or not entirely appropriate for the needs of the recipient culture. An example of the former is the sale of cigarettes in developing nations by multinational firms, often from nations such as the United States, that have public policies to discourage smoking. An example of the latter is the exportation of infant formula to countries where there is a high likelihood of improper and harmful use.
4. **Environmental pollution:** Not all countries demonstrate concern for the natural environment, particularly because it is expensive to manufacture without polluting. Environmental degradation – such as toxic emissions from factories, radiation from nuclear power plants, and the destruction of vast forests – contributes to worldwide environmental problems.
5. **International misrepresentation in negotiations:** Bluffing, fraud, intimidation, and various other forms of deception may be acceptable negotiation tactics in some cultures yet considered unethical, or even illegal, in others.

5.17 Resolving Ethical Issue

Laws and ethical codes do not cover all situations. To resolve problems raised by ethical relativism and universalism, managers facing ethical conflicts should consider the nature of the specific ethical situation. The response, according to Kohls and Buller (1994), depends on the centrality of values at stake, the degree of social consensus regarding the ethical issue, the decision maker's ability to influence the outcome, and the level of urgency surrounding the situation".

Manager can take one of following seven approaches for resolving ethical conflict (Kohls and Buller 1994).

1. **Avoiding:** One party simply chooses to ignore or not deal with the conflict.
2. **Forcing:** One party forces its will upon the other. Forcing is often used when one party is stronger than the other.
3. **Education-persuasion:** One party attempts to convert others to its position through providing information, reasoning or appeals to emotion.
4. **Infiltration:** One party introduces its cultural values to another society hoping that an appealing idea will spread.
5. **Negotiation-compromise:** Both parties give up something to negotiate a settlement.
6. **Accommodation:** One party adapts to the ethics of the other.
7. **Collaboration problem solving:** Both parties work together to achieve a mutually satisfying solution, a win-win outcome meeting the needs of both.

How does a manager select among these actions and is there a "correct" solution? First, they consider the centrality of values. Values form a continuum arranged from core values of universal concern and central to the ethical conduct of business to those on the periphery (Kohls and Buller 1994). Core values include freedom from torture, the right to non-discriminatory treatment, the right to freedom of speech and association, and the right to political participation.

Second, a manager classifies values according to home culture consensus. An ethical decision maintains values widely shared by the home culture. The third factor is the influence a manager has over the situation. There is a continuum from no ability to change the situation to complete control over the situation. When managers have no influence over the situation, they must accommodate to the other culture. If important values are involved, managers should take themselves out of the situation or not get involved.

5.18 Ethics as a Competitive Advantage in Global Business

An emerging perspective on ethics in multinational business is that ethical behaviour provides a competitive advantage (Buller and McEvoy 1999; Litz 1996). As a competitive tool, ethical capability is "an organization's ability to identify and respond effectively to ethical issues in a global context". The elements of ethical capability are firm-specific including:

1. Knowledge and skill to understand ethical frameworks and respond effectively to cross cultural ethical situations;
2. Leadership, teamwork, and organizational culture that facilitate ongoing dialogue and learning about global ethics; and
3. Human resource systems and other organizational practices that acquire, develop, and sustain these capabilities.

Ethical capability resides in the three important organizational resources of perceiving interdependence, thinking ethically, and responding effectively (Litz 1996). Perceiving interdependence is recognition that a firm gains legitimacy by fulfilling diverse stakeholder needs. Ethical thinking is the result of organizational learning created from the interaction of diverse stakeholders and produces heightened sensitivity to ethical issues. Finally, responding effectively is "taking the appropriate ethical action in a timely manner."

The alignment of strategic international human resource management with corporate strategy develops ethical capability. Human resource practices can create and sustain ethical capability through transformational leadership, enhancing organizational learning, and implementing specific human resource practices. Specifically, transformational leadership initiates, articulates, and sustains an ethical vision for the corporation. Organizational learning requires that an organization learn from its international stakeholders concerning ethical practices. Specific human resource practices include an international code of ethics combined with appropriate mechanisms to implement the code which requires selection of culturally competent people, training in ethics, performance appraisal that incorporates ethical behaviour, and rewards and recognition for ethical behaviour.

It is important to sustain ethical competencies in multinational corporations. This requires continuous organization design which is "a process for identifying key tasks and modifying the reporting relationships, responsibilities, and coordinating mechanisms to accomplish those tasks". Clear and consistent communication is also important for sustaining a shared vision of ethics in the multinational corporation. Last, the transformational organizational leader should create an ongoing capacity for change that includes audits of the ethical and cultural climate, a plan for continually improving ethical capability, overcoming resistance to change, and utilizing the resources necessary to develop and sustain ethical capability. In summary, the idea that an organization can build and maintain ethical capability as a competitive advantage is related to trust emerging as a value among multinational corporations.

In post-Communist Russia, ethical behaviour in business was so unusual that the revelation made by the food company Wimm-Bill-Dann – the name is a transliteration of Wimbledon, the English tennis tournament – in its initial public stock offering that one of its principal owners had spent nine years in prison, and that his criminal record could hurt investors brought a shock-wave in the country. But this honest approach resulted in raising $161 million in the offering and made" 'transparency' and 'corporate governance' something of a fad, at least among the bigger and more profitable businesses". Apparently, when everybody else is unethical and the expectation is that business will be unethical, being ethical pays – even if it only serves blatant self-interest.

5.19 Implications for Managers

Managers do not share the same ethical code and understanding of social responsibility. They also cannot assume that their own corporation's ethical conduct is superior. As a

Notes

result, international managers need to develop a framework for evaluating ethical codes and determining their own ethics.

International managers must understand other societies, religion, values, culture, law, and ethics. What may be a shocking breach of ethics to a Western businessperson – child labour, a wage of pennies a day, or blatant gender discrimination – may be acceptable behaviour in another culture. Knowing the behaviours and ethics of other cultures can help determine whether a course of action is appropriate or not. Most scholars of international business ethics view the identification and resolution of ethical issues as difficult and complex. Because many ethical issues are emerging as new technologies develop, as new forms of organizational interdependence evolve, and as cultures come into contact. Thus, it is likely that precisely what ethical and legal behaviour is, will change in the future. This implies that managers should keep informed concerning new developments in cross-cultural ethics and not assume that ethics are well-defined and agreed upon, and therefore, non-problematic.

5.20 Ethics in Negotiations

Negotiators face an acute dilemma at some stage during the negotiation – for instance, situations where they do not know what would be the right thing to do, and where they know what is right, but fail to do it, because of competitive or organizational pressures.

While 'creating value' is at the centre of principled negotiations, no negotiator can forget that he has to 'claim value' for himself and his organization. In 'claiming value' the negotiator is jockeying for a better position in relation to the other party. There is a tension between these two value-seeking behaviours that is at the centre of the ethical problem. As Andrew Stark in his HBR article says: "The fact is, most people's motives are a confusing mix of self-interest, altruism, and other influences." According to him, instead of grappling with this complexity, many times we get diverted into thinking that our actions "cannot be ethical unless (they) in no way serve" our self-interest. There seems to be a view that genuinely ethical action must hurt the actor. In this "messy world of mixed motives", we must identify a set of workable virtues for negotiators. One of these is toughness. "Neither callously self-interested nor purely altruistic, virtuous toughness involves both a 'willingness to do what is necessary', and 'an insistence on doing it as humanely as possible'." The article mentions other such morally complex virtues such as courage, fairness, sensitivity, persistence, honesty, and gracefulness. "Ethical actions don't take place in splendid isolation; in practice, for example, ethics seems to rest on reciprocity". This principle of 'mutual-trust' and reciprocity is another useful way to deal with the ethical dilemma.

Negotiation is about perceived conflict between two or more parties who are committed to a long-term relationship and are also committed to implement the agreement. So long as these two commitments exist, negotiators will know the extent to which they can go in 'claiming value', pushing their self-interest, and using strategies and behaviours that could be seen as manipulative or deceptive. None of the parties in the negotiation can afford to have the other party begin to distrust or disbelieve it.

Indeed, the purpose of the negotiation is to develop mutual trust and understanding. The negotiator must always keep in mind that he is going to work closely with the other parties to the negotiation, in implementing the agreement. If he bluffs or deceives, it will create problems in implementation later.

In real life, we accept a certain amount of power play, and even bluff and deception. So long as the behaviour is acceptable, it could be said to be ethical in negotiation. But when it is counter productive, it also ceases to be ethical. We are not, therefore, talking about an absolute standard of ethical behaviour. If the continuance of the negotiation and its implementation is jeopardised, that behaviour is not suitable. So long as the negotiation makes progress and nothing that is said or done will affect the commitment of all parties to implement the agreement, it is ethical. The negotiator is the best judge during the negotiation to decide as to what is right or ethical.

Even if there are valid substantive reasons for a dismissal, an employer must follow a fair procedure before dismissing the employee. Procedural fairness may in fact be regarded as the "rights" of the worker in respect of the actual procedure to be followed during the process of discipline or dismissal.

5.21 Summary

Ethics are broadly applied social standards for what is right or wrong in a particular situation, or a process for setting those standards. Ethics are moral standards, not governed by law, that focus on the human consequences of actions. Ethics are a product of a society's culture that includes its traditions, customs, values and norms. Individual character ethics maintains that the identification and responsible development of the human traits of nobility. Work character ethics maintain that the identification and responsible development of noble, reflective, practitioner traits at work. Four perspectives for understanding ethics are the descriptive, conceptual, normative, and practical.

Ethical conflicts develop as a result of variations in ethical codes, moral standards, social values, and laws in different cultures. Many societies give preference to members of certain groups. Race, ethnicity, age, gender, geographic region, and religion are variables used to discriminate. Workers' wages vary considerably around the world. In many countries, a worker's annual salary may be what a person with a similar job in another country earns in a week. Trust can be defined as "an expression of confidence in another person. Trust can also serve as strategic means to ends other than relationship-building. Identification-based trust is grounded in empathy with another person's desires and intentions and leads one to "take on the other's value because of the emotional connection between them.

5.22 Keywords

- ***Accommodation:*** One party adapts to the ethics of the other.
- ***Avoiding:*** One party simply chooses to ignore or not deal with the conflict.
- ***Education-persuasion:*** One party attempts to convert others to its position through providing information, reasoning or appeals to emotion.

Notes

- ***Forcing:*** One party forces its will upon the other. Forcing is often used when one party is stronger than the other.
- ***Infiltration:*** One party introduces its cultural values to another society hoping that an appealing idea will spread.
- ***Negotiation-compromise:*** Both parties give up something to negotiate a settlement.
- ***Trust Negotiation:*** It is an approach to gradually establishing trust between strangers online through the iterative exchange of digital credentials.

5.23 Review Questions

1. Define ethics, fairness and trust in negotiation.
2. Define values and behaviors in negotiation.
3. Discuss about appropriate or inappropriate negotiation tactics.
4. Explain the affect of international cultural difference on negotiation.
5. What is the role of gender in negotiation?
6. Describe the seven element of effective negotiation.
7. Describe about cross culture ethical issues.
8. What are the internal ethical issues of a organization?
9. Describe ethics as a competitive advantage in global business.
10. What are the consequences of unethical conduct?
11. Discuss about applying ethical reasoning to negotiation.

5.24 Further Readings

- Books Booth, A., Crouter, A. C., & Clements, M. (Eds). Couples in Conflict. Mahwah, NJ: Lawrence Erlbaum.
- Casing a Promised Land by Goodall: Carbondale: Southern Illinois UniversityPress.
- Conflict Management & Organization Development by Willem F.G. Mastenbroe: John Wiley & Sons.
- Coser, L. The Functions of Social Conflict. New York: Free Press.
- Cupach, W.R. & Canary, D.J (1997). Competence in Interpersonal Conflict. Prospect Heights, IL: Waveland.
- International Journal of Conflict Management by Jones, T.S., Remland, Non Verbal Communication and Conflict Escalation: An attribution Based Model.
- Leading Through Conflict, How Successful Leaders Transform Differences into Opportunities by Mark Gerzon: Harvard Business School Press.

BBA-609

सर्वे भवन्तु सुखिनः सर्वे सन्तु निरामयाः !
सर्वे भद्राणिः पश्यन्तु माकश्चिद् दुःख भाग्भवेत् !!

Directorate of Distance Education

SWAMI VIVEKANAND
SUBHARTI
UNIVERSITY
UGC Approved
Meerut
Where Education is a Passion ...

Subharti Puram, N.H.—58, Delhi-Haridwar By Pass Road,
Meerut, Uttar Pradesh 250005
Website: www.subhartidde.com , E-mail: ddesvsu@gmail.com