

NEGOTIATION FUNDAMENTALS

Learning Objectives

1. Demonstrate the difference between understanding and convincing as approaches to negotiation.
2. Accurately distinguish between issues, interests, and positions when analyzing a negotiation.
3. Assemble a bargaining mix based on a set of issues to be negotiated, and understand what it means to claim value and create value among those issues.
4. Describe what a resistance point is, draw the ZOPA, and use these concepts to analyze the challenges and/or opportunities in a one-issue or multiple-issue negotiation.
5. Discern what ethical issues are likely to occur in negotiation, and think critically about what it means to become an ethical negotiator.

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APPROACHES TO NEGOTIATION

When you sit down to renegotiate a contract at work, or negotiate an apartment lease, or decide what color to paint a room with your significant other, when does the negotiation actually start? Think about this for a minute. Do you think it starts when you start talking? How about when you agree to have the meeting where you are going to start talking?

While the conversation might start at one of these points, the dynamics of the negotiation begin much earlier, inside your head and the head of the person(s) you are negotiating with. Why? Because once you start anticipating the negotiation, you start making choices—choices about what you are going to say, what tactics you might use, what your opening offer might be, and so on. These conscious and unconscious choices you make before you ever utter a word have an enormous impact on negotiation, which is why we talk about them here. Unfortunately, people often rely on “instinct” or “gut” to make those choices; this results in many of the mistakes we discussed in Chapter 1.

Perhaps you have heard these negotiating strategies before (Table 2.1):¹

- Avoid: Low assertiveness, low cooperation
- Yield: Low assertiveness, high cooperation
- Compete: High assertiveness, low cooperation
- Collaborate: High assertiveness, high cooperation
- Compromise: Moderate assertiveness, Moderate cooperation

Although often discussed, these strategies are not particularly helpful, at least to us. Why? First, avoiding and yielding can be

done without negotiating at all. Second, competing and collaborating convey the idea that negotiations have winners and losers—that simply isn't the case in most negotiations. Third, these terms connote how you *view* the negotiation (e.g., competitive), rather than how you intend to *obtain value* in the negotiation.

Table 2.1 Traditional Negotiation Strategies

COMPETE High Assertiveness, Low Cooperation	COLLABORATE High Assertiveness, High Cooperation
AVOID Low Assertiveness, Low Cooperation	YIELD Low Assertiveness, High Cooperation

For these reasons we leave these strategies behind and focus on convincing and understanding as key approaches to negotiation (Table 2.2). These terms describe how the negotiator intends to obtain value in the negotiation. When you take an **understanding** approach to negotiation, you try to comprehend what the other side is thinking as completely as possible. You go into the negotiation with the express purpose of uncovering the interests and goals of the other side so that you can use the various resources at your disposal to persuade the other party and ultimately get what you want.

We can contrast understanding with **convincing**, which is exactly as it sounds—attempting to alter the beliefs or actions of the other side in order to get something. Perhaps you want them to lower their price or settle on the negotiation today by convincing them they are not going to get any other offers. Perhaps you want to convince them you are the boss, and they should concede because of your formal position. Whatever it is, the idea here is that you are causing them to change their mind or their request without having to give up any resource. While the negotiator still must “understand” or know something about the other side, the intent is to change their mind, to move them off of some preexisting belief or stance.

Table 2.2 Convincing and Understanding: Key Approaches to Negotiation

Understanding	Convincing
<ul style="list-style-type: none"> • <i>Comprehend</i> what the other side is thinking. • <i>Question</i> others to uncover interests. • <i>Give</i> the other side enough value so they say yes to what you want. 	<ul style="list-style-type: none"> • <i>Alter</i> the beliefs of the other side. • <i>Demonstrate</i> to others why you are right and they are wrong. • <i>Force</i> them to give you value.

Understanding

Although negotiations are a means to satisfy **interests**—the fundamental reasons people want what they want—it can be hard to discover what people’s underlying interests actually are. Typically, it requires some kind of questioning to get to the root of the interest. Once you do this, it becomes possible to find other ways to reach agreement. Consider the following example:

- Employee:** I’d like a higher salary.
- Manager:** Why?
- Employee:** Well, because I see other people getting raises.
- Manager:** OK, but why do you want a higher salary?
- Employee:** Because I want to feel valued by the company. [Note: Feeling valued is the employee’s interest.]
- Manager:** And you think that getting a raise shows value?
- Employee:** Well, I guess so, yes.
- Manager:** That’s important to understand because maybe there are other things I can offer that will make you feel valued. How about I recommend you to attend that special conference overseas?

We can see that the manager in this scenario is clearly taking an understanding approach to this negotiation. In this scenario, by digging down (asking questions) the manager is able to figure out what the underlying interest is on the part of the employee.

It is often hard to predict what a negotiator truly wants. Consider another scenario where it is not so obvious what the underlying interest might be:

- Manager:** I need you to cc me on all of your e-mails to customer X.
- Sales Employee:** Why?
- Manager:** Because I need to maintain an administrative presence.

This answer does little to explain what the manager really wants. The employee needs to keep asking questions to find out:

- Sales Employee:** But was there a concern?
- Manager:** Yes, the customer expressed concern to our top management that they were not as valued as they once were. Cc’ing me will convey that they have the ear of upper management, which is going to keep the customer happy. [Note: Keeping the customer happy is the manager’s interest.]

Knowing this is the interest, the employee might find additional ways to use resources to get more value from the manager.

Sales Employee: OK, I'll cc you and I'll look for ways to pamper the customer more, maybe through increased visits, more frequent communications, and maybe even a golf date with our CEO.

Manager: Great ideas, thanks.

In this scenario, we can see the benefit of the employee taking an understanding approach. In asking that second question, the employee was able to discern what was really bothering the manager. The employee also offered to take on extra work, which influences the manager because it satisfies the manager's underlying interests. Without the employee's digging for that underlying interest, those additional opportunities to take care of the customer would've been lost.

Convincing

Why do we use arguments in negotiation? To convince others. To show someone else that they are wrong and that we are right.

Let's look at the following example:

Employee: I'd like a higher salary.

Manager: That would cause problems.

Employee: But I see other people getting raises.

Manager: Yes, but those people have more experience than you.

Employee: Then I'm going to have to look for another job.

Manager: I can't stop you from doing that.

It is very clear in this now revised scenario that both the employee and the manager take a convincing rather than understanding approach going into this negotiation. With each statement, each person is trying to convince the other to change his or her mind. The employee uses a comparison argument ("other people getting raises") and a threat ("I'm going to have to look for another job"). The manager uses data ("Those people have more experience"). Neither individual seems interested in understanding the other's interests.

To better grasp understanding versus convincing as negotiation approaches, consider the story of Joan and Louise at the company holiday party. Joan and Louise mistakenly get raffle tickets with the same number, and they both "win" two tickets worth \$100 each to go see a concert. The question now is who gets the two tickets, so they start to negotiate.

- Joan:** You should let me have them because this is my favorite group and I've never seen them in concert.
- Louise:** True, but I did technically win them.
- Joan:** Yes, but technically I won them, too.
- Joan:** Wait, aren't you a huge basketball fan?
- Louise:** Yes.
- Joan:** I actually have two tickets to an upcoming NBA game that were given to my husband. Neither of us are crazy about basketball. How about I give you those tickets?
- Louise:** Really? That'd be great! Are you sure that's okay with you?
- Joan:** Absolutely. We were just going to sell them online. I'd rather avoid that hassle anyway and give those tickets to someone I know is going to enjoy them.

There are several things we can see here about the approaches that Joan and Louise are bringing to the negotiation. Let's look at the conversation again:

- Joan:** You should let me have them because this is my favorite group and I've never seen them in concert. **[Convincing]**
- Louise:** True, but I did technically win them. **[Convincing]**
- Joan:** Yes, but technically I won them, too. **[Convincing]**
- Joan:** Wait, aren't you a huge basketball fan? **[Understanding]**
- Louise:** Yes.
- Joan:** I actually have two tickets to an upcoming NBA game that were given to my husband. Neither of us are crazy about basketball. How about I give you those tickets? **[Understanding]**
- Louise:** Really? That'd be great! Are you sure that's okay with you? **[Understanding]**
- Joan:** Absolutely. We were just going to sell them online. I'd rather avoid that hassle anyway and give those tickets to someone I know is going to enjoy them. **[Understanding]**

Notice that in each statement the goal for the statement is now highlighted. Louise starts by trying to convince Joan. Joan reciprocates (i.e., does the same thing back to her) by trying to convince Louise. This does not result in an agreement, and Joan wisely shifts to an understanding approach, whereby she asks Louise an interest-based question about wanting the basketball tickets. Louise appreciates this and reciprocates again by asking Louise if this is okay with her. Both individuals have gone from convincing to understanding and, in doing so, have found a good solution to their

problem. This is very typical in negotiations, which often involve individuals changing their negotiation tactics over the course of the negotiation.

Notice, though, the danger in starting with a convincing approach. If Joan had not remembered that Louise was a huge basketball fan (even the act of remembering shows Joan is focused on *understanding* Louise), Louise might have instead just offered for Joan to pay \$100 for the one ticket. While this might have closed the negotiation, it is not an optimal agreement. Table 2.3 compares these agreements.

Table 2.3 Convincing vs. Convincing → Understanding

Outcome 1: Only Convincing	Outcome 2: Convincing → Understanding
Joan: Two concert tickets, \$100 payment to Louise	Joan: Two concert tickets; not having to worry about basketball tickets; gratitude toward Louise
Louise: \$100 payment from Joan	Louise: Two basketball tickets; gratitude toward Joan

It's pretty easy to see here why Outcome 2 is preferable to Outcome 1. The relationship is strengthened *and* they both get something tangible that they want.

As seen in the sidebar on the NBA negotiation in 2011, choosing just convincing as an approach severely limits the tools at your disposal. Further, as we will discuss at length starting with Chapter 4, you should understand the relative benefits of choosing either path. Unlike Joan and Louise, you don't want to rely on getting lucky in negotiation and thinking of something on your feet to solve the problem at hand. You want to be conscious in your approach so that you can best satisfy your interests.

My friend [Jason] Whitlock wrote earlier this week: “[David] Stern has been balling in the basketball boardroom for three decades. The players look as out of place barging into meetings and negotiating with Stern and his lawyers as Stern and his lawyers would challenge Fisher, Wade, Garnett and Pierce on the court.”

From day one, the players have approached this lockout like it's a *competition*—they don't want to be beaten, they're not rolling over, they're staying strong and all that macho bullshit. It's all small-picture stuff. When's the last time you heard someone from the players' side say, “Maybe the owners are right, maybe we *should* work

with them to create a better system?” Where are the Bill Russells, the Bill Bradleys, the Oscar Robertsons, the Phil Jacksons, the Bob Cousys and Tommy Heinsohns—thoughtful *stars* pushing for real change instead of just pretending to be tough at a meeting? Where are the guys who stood up before the 1964 All-Star Game in Boston and basically said, “The current system is broken and needs to change NOW, or we're not playing?” Where is this generation's Larry Fleisher, a brilliant legal mind who can successfully look out for the players while also helping to shape the league's bigger picture? Seriously, where is he?

Source: Simmons, B. (2011, October 31). Proactively mourning the NBA [Web log post]. Retrieved from <https://grantland.com/features/proactively-mourning-nba/>

THE BASICS OF NEGOTIATION

There are some fundamental concepts that are relevant in all negotiations. We must understand these before we can even begin to talk scientifically about negotiation. They represent concepts that you always need to think about, as opposed to some of the other concepts and principles that may only be relevant in certain situations. They also provide a language and structure for talking about negotiations. These concepts include participants, issues, interests, and positions.

Negotiating Participants

Many different types of participants are involved in negotiation. The **parties at the table** are those who actually perform the negotiation. They make the moment-to-moment decisions and conduct the negotiation conversation. They are also the ones who engage in various tactics and take actions to move the negotiation along. We often tend to think about negotiation only in terms of these people sitting at the negotiating table. The parties at the table are rarely operating in a social vacuum; what they choose to do and think is often influenced by others not at the table.

Even when you are buying some used car from a stranger that you met online, it is unlikely that you will negotiate without others influencing your decisions. If the stranger you are buying a car from is married, for instance, his or her spouse may have a problem if you get the car too cheaply. If you are thinking about your professional image, the way people will react to the giant dent in the fender may affect how you evaluate the car. In some situations the social connections that influence the negotiation are obvious. In a job negotiation, your boss (the participant at the table) is constrained by his or her boss (not at the table) in terms of what he or she can give you. But often there are other, less obvious people that, although in the background, can have a strong influence on what happens in a negotiation. For example, your boss may be worried that other employees (those not at the table) will think he or she is showing you favoritism.

We can expand our view of the people involved in the negotiation by considering two types of participants who, though not at the table, can influence what happens. These background participants and background nonparticipants affect the negotiation process in different ways.

Background participants are people with the capability to directly change or affect the progression of the negotiation via their influence on the parties at the table. Background participants are important in a negotiation because they have the power to disrupt or facilitate progress toward agreement. That is, they can start and stop a negotiation, or they can change its direction. It's all well and good to negotiate a strong job offer with a representative from the human resources department, but if the line manager is unwilling to accommodate the job offer, the negotiation either will be reopened or will fail. It is not just that background participants have the final say; background participants also can change the way a negotiation progresses. The salesperson who has to get approval from her manager to give the customer the price he wants on a

specific item is under the direct influence of the manager; in this way the manager has the power to change how the negotiation is going. If the salesperson comes back and says, “Well, my manager won’t let me give you that much of a discount, but how about I offer you X, Y, and Z instead,” the negotiation will move in that new direction.

Changing the way the negotiation progresses can be accomplished in an overt or subtle way. Consider a union negotiation in which the union negotiator tells the company negotiator that the membership will agree to a wage cut. The membership (the background participants) will vote on this deal, and if they vote it down, the union negotiator will have to continue negotiating. This is overt control. Consider also the example of a middle manager negotiating a contract for a client. Although the CEO of the manager’s company is not in the room and may not overtly tell the manager to sign or not sign the deal, the manager is thinking about the CEO when signing that deal and the guidelines the CEO has sent down from the executive suite. That CEO is thus directly affecting the negotiation but is doing so without getting involved and, possibly, without even knowing about the deal. This is a subtler form of control.

Although background participants may have varying degrees of influence, what is important is that they can actually change the course of the negotiation in real time. This may necessitate focus on the background participants, because if a negotiator is able to get the person at the table to agree to something that one of these background participants *does not* like, then they will soon be renegotiating.

Background nonparticipants are people who are watching the negotiation but have no way to directly change its course. For example, if Tim is negotiating a contract with a vendor, the other vendors will be interested to see what Tim does, even if they can’t do anything to change Tim’s approach. As with the background participants, the background nonparticipants influence negotiations mostly in terms of how the people at the table are thinking. Since the background nonparticipants are not going to be affected by the outcome directly, their views are not really updated with the ebb and flow of a negotiation. However, negotiations can set precedent, and because of that the parties at the table may be worried about how the background nonparticipants will construe this precedent based on what happens.

Whereas you could ostensibly bargain (albeit indirectly) with background participants by offering things they might want as part of the package, you cannot really do that with the nonparticipants. So when Debbie tries to negotiate a new chair for her office, her boss may be concerned that if she does that, it will be seen as favoritism by the other employees—the background nonparticipants. This is because Debbie’s coworkers, although not participating, are watching the boss’s actions. This example also illustrates how nonparticipants may not even be people but rather abstract groupings such as “customers,” “constituents,” or “departments.” The boss is worried what “other employees” across the organization think, not necessarily about what specific people will think. It is not the background nonparticipants themselves that affect choices and behaviors in a negotiation, but rather what the parties at the table *think* the background participants might care about. Debbie’s boss may think she knows how the “other employees” will view Debbie if she gets a new chair, but that might be a mistake in perception. If Debbie’s boss were to actually talk to those individuals, she may find out they don’t really care.

The influence of background nonparticipants is more indirect and amorphous but also more constant when they are abstractions (e.g., “the public”). You should not underestimate the power of this group. The background nonparticipants are often the “court of public opinion.” This is why, in certain negotiations, seemingly absurd details are added to the agreement because the parties at the table are concerned about how the agreement is going to look to the public.

Summary. As the negotiation progresses through moves and countermoves by the parties at the table, the background participants are in the position to evaluate this progress and redirect how the negotiation is proceeding. They are typically specific individuals whose perception of the negotiation process can be influenced. Background nonparticipants may or may not be specific individuals or groups; they are just as likely to be abstractions. In either case, the background nonparticipants do not act to change the negotiation process, but rather will evaluate the negotiation outcome, which can impact future negotiations. Thinking about how these nonparticipants will react influences parties at the table in a fairly constant way.

Issues and Bargaining Mix

Issues are the items “on the table” being negotiated—days off, a bonus, a company car, warranties, discounts, favors, food, hats, *anything*. Issues are the fundamental building blocks or pieces of the puzzle used to craft an agreement. The collection of issues being negotiated is called the **bargaining mix**. We talk about bargaining mix because people typically have too small a bargaining mix (too few issues), and they typically assume those issues to be zero-sum (see Chapter 1). You will be able to negotiate more effectively if you can increase the number and types of issues included in the bargaining mix. This has benefits that we will cover later in the book.

One of the mistakes in understanding what an issue is in negotiation stems from the definition of the word *issue*. In normal lexicon, an issue can be anything that needs to be resolved or is creating discomfort. Your mistrust of another, using this definition, would be a potential issue. However, in negotiation we will use the word *issues* only to refer to things on the table for agreement; thus, in this book, we will ignore the other meaning of the word.

Some issues are obvious when we negotiate, but many others are hidden by the tendency to think about negotiations in stereotypical and narrow ways. One way to add issues to the bargaining mix is to think more broadly about why parties are at the table. Another is to see what emerges during the negotiation. This is difficult, and so we will spend a lot of time in subsequent chapters discussing effective and ineffective ways to do this. Here are examples of both **obvious issues** and **potential issues** in popular negotiations (Table 2.4).

Interests vs. Positions

What do you want? The fundamental concept here, and probably the most important one you will learn in reading this book, is the interest. An interest is the fundamental

Table 2.4 Obvious vs. Potential Issues

Negotiation	Parties at the Table	Obvious Issues to Be Negotiated	Potential Issues to Be Negotiated
Job	Employee Manager	Salary Bonus Moving expenses	Performance review date Task assignments Tuition reimbursement
Car	Customer Salesperson	Cost Financing plan	Administrative fees Oil changes, maintenance
Trade agreement	Country 1 Country 2	Tariff rates Length of time Products covered	Technology transfer between countries Immigration restrictions
Wedding	Future partner Future partner	Location Reception cost Number of guests	Location of honeymoon Structure of ceremony Choice of music

reason why you want something. This means that it is something that you want just because you do, and you will be satisfied with the negotiation based on how much of your interests are satisfied. Interests can be anything—respect, admiration, love, power, music, fun, safety, silence. Interests are rooted in needs, and they are what gives something value. If you don't have an interest in baseball, another person's season box seats at the stadium won't really hold a lot of value in the negotiation. People have different sets of interests. Some are likely to be universal: safety, shelter, food. Some are likely to be universal but vary in strength, such as the desire for power, respect, or achievement. Some are very idiosyncratic, such as a love of cuckoo clocks or a love of rainy gray days. Interests tend to persist beyond a specific negotiation. Someone who wants the respect of their peers will likely always want this. Someone who wants to be able to take long vacations will probably like doing this in the future as well. Your interests are based on your history and your personality, and those things are relatively stable. You negotiate in order to satisfy your interests.

We contrast the interest with the **position**, which is equally important to understand in negotiation. Positions are the means by which you try to achieve your interests. Perhaps an easier way to think about this is that positions are things that are asked for in negotiations. For example, Joe wants the respect of his professional colleagues (interest), so he negotiates for a big corner office (position). Nancy wants flexibility in her work schedule (interest), so she negotiates to telework 2 days a week (position). Steve is curious about Mayan history (interest), so he negotiates with his wife to take their next vacation to Mexico (position).

Take, for example, the issue of money. People ask for a certain amount of money rarely because they just love the sight and smell of it but mostly because it allows them a means to satisfy their interests, whatever they may be. While effective negotiating is

a matter of satisfying your interests, more often you focus on getting whatever position you have decided you want. You want respect, but you argue for the corner office. Or worse yet, you want respect, so you argue for a raise. Why is this a problem? Because a feeling of respect comes from how others treat you. Even if you are successful in acquiring a raise, this good feeling is likely to be temporary as (a) you will still remember not getting the raise previously and that you had to ask for it and (b) others will continue to treat you in the same way you were treated before. The position has been reached, but your underlying interest may still be unfulfilled.

You should be seeing the connection between issues, interests, and positions (Table 2.5). Issues are what are on the negotiating table. Each issue has a set of one or more possible positions. Some issues (e.g., salary) have infinite positions. Positions offered, in turn, come from the desire to meet interests.

Table 2.5 Issues, Positions, Interests

Issue	Position	Interest
Telecommuting	Telecommute 3 days a week	My spouse can't pick the kids up from school on certain days.
Dinner	California Pizza Kitchen	I'm concerned about money and we have a coupon for this restaurant.
Salary	\$70,000/year	I want to feel that I am valued in the new company.
Grade	An "A" in negotiation class	Impress my employer, get a good recommendation from my professor, and actually become a better negotiator!

In January 2018 the Teamsters, representing about 260,000 drivers, began their collective bargaining process with UPS, in what is one of the largest collective bargaining agreements in the United States. The current deal between the Teamsters and UPS, which was signed in 2013, was set to expire in July 2018. The Teamsters, in their initial proposal to UPS, included many issues to be discussed, such as late-night delivery, the number of future employees, and future

package delivery technology. The Teamsters also provided initial positions on those issues: no delivery after 9 pm, 10,000 additional workers, and prohibiting UPS from using "drones, driverless vehicles, and other new technology to transport, deliver or pick up packages."

From a negotiation point of view, what is missing, at least in this initial reporting, are the interests of the Teamsters. Clearly the Teamsters are worried about the jobs and well-being of their

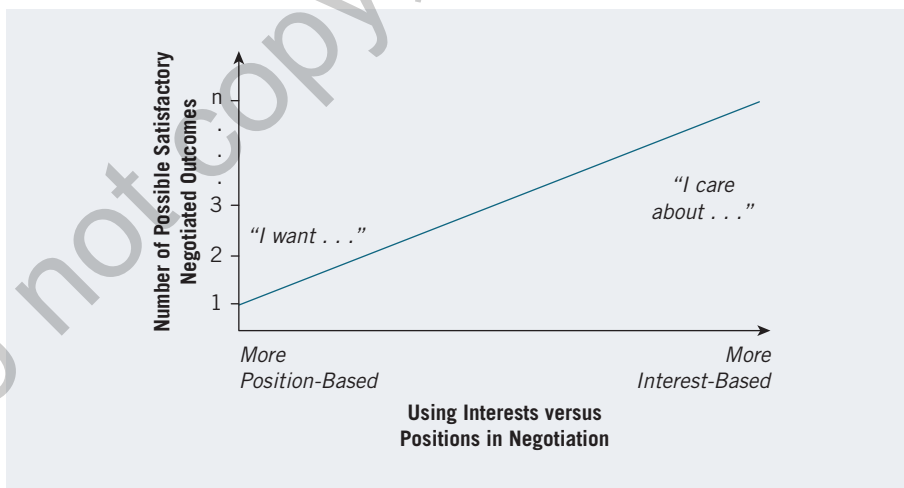
members, but their initial positions may not be the best ways to satisfy those interests. For instance, if the Teamsters prohibit UPS from exploring such drone and driverless technologies, UPS could suffer in terms of brand image in comparison

with FedEx, ultimately hurting the company and reducing the number of jobs available to the Teamsters in the future. Similarly, there may be drivers who prefer working at night and would be happy to do so, perhaps for extra wages.

Source: Ziobro, P. (2018, January 25). Teamsters tell UPS: No delivery drones or driverless trucks. *Wall Street Journal*, p. B6.

You can think of interests and positions as falling along a continuum, with the position or *offer* at one end of the continuum and the purest version of the underlying interest at the other end of the continuum. As shown in Figure 2.1, when you can move along the continuum (the horizontal axis) from positions to interests, you increase the number of possible outcomes that can prove satisfactory in the negotiation. Take this simple example of a teenager's request to his parent: "Can I stay out until 11 pm on Saturday?" How many options will satisfy this agreement? One. This is because what the teenager is offering is a position. If the parent responds, "What is important that is going on Saturday?" and the teenager says "My friend is in town this weekend," immediately more positions become possible. Perhaps the teenager and his friend can hang out earlier on Saturday, or on Sunday, or on Friday. In this case, by asking the interest-based question, the parent has moved down the continuum (the horizontal axis) closer to interests and in doing so has increased not only the number of possible options but the potential for both sides to obtain value from the negotiation.

Figure 2.1 Using Interests vs. Positions in Negotiations



Evaluating Success

When we ask our students whether they did well in a negotiation, they almost universally discuss positions, that is, how much “stuff” (money, days off of work, etc.) they got. These are the tangible issues that can be measured at the end of a negotiation. The problem, though, is that these outcomes are positions, not interests. As interests represent root needs, wants, and desires, it is in the fulfilling of interests that we derive negotiation success.

Take, for instance, negotiating with your supervisor over a raise. You would like a 5% raise, whereas your supervisor would like to give you a 2% raise. You may think that success in this negotiation is measured by whether or not you convinced your supervisor to give you the 5% raise. While that is one measure, don't forget the relational value that you obtain from your relationship with your supervisor. If you make your supervisor angry by threatening to leave, have you really won, even if you get a bigger raise? No, because the relationship is harmed, and that supervisor, who might have been willing to open doors for you later on, now sees you in a more negative light.

This happens in our classrooms all of the time. When we engage in a negotiation role-play exercise, invariably a student does quite well as measured by the points within the role play. It becomes clear, though, that the student gained an advantage in the negotiation by lying to his or her classmates and/or by bullying them to back down from their position. Can these tactics work in a negotiation to convince someone to change his or her offer? Absolutely. But at what cost? The student has cost himself or herself significant social capital in the classroom (no one wants to work with or help him or her), and we use this performance as an example of what *not* to do.

Tangible vs. Intangible Interests

People's interests can take a lot of different forms. Suppose Yashika really likes her current job as an accounting consultant but feels that management doesn't really appreciate her. She learned that some of her newly hired coworkers are being paid almost as much as she is, even though she has more experience and tenure in the organization. This really bothers her because she feels that her expertise and contributions to the company are not being recognized. A typical position-based attempt to negotiate might end up looking like this:

Yashika: I think I deserve to be paid more.

Manager: I'm sorry, but we simply cannot afford to do that right now, since our budget is very tight.

Yashika: But I'm very competent at what I do and have lots of experience, and I feel that I am not being paid accordingly.

Manager: I hear what you are saying, but we simply cannot pay you more right now.

Yashika: Well, maybe I'm going to have to explore other options with other companies.

As both parties walk away from that exchange, there's a risk that Yashika will conclude that manager's refusal to give in to her position is proof that the company really does

not appreciate her, and the manager might get the impression that Yashika is greedy and insensitive to the company's current budget problems. Even though both of those conclusions are probably incorrect, these impressions can damage the relationship going forward.

On the other hand, a more interest-based attempt might sound more like this:

Yashika: I am concerned that management doesn't appreciate me, as indicated by the salaries of my peers, even though I am very competent and have a lot of experience. I love working here and don't want to leave, but this is really bothering me.

Manager: I agree that you're a great employee, but unfortunately we don't have any money for raises in our budget right now. Is there another way for us to demonstrate that we DO appreciate you?

Yashika: I don't know. What are you thinking of?

Manager: Well, how about a title of "senior consultant" that would emphasize that you are a more experienced and valuable employee than the newer hires. We could also look for a larger office for you, which would also signal your higher status. We really do appreciate you, even if we cannot pay you more right now. Would some of these sorts of things help?

Yashika: That sounds interesting. Can we also talk about increasing my 401k contributions?

Manager: That actually might be possible. Let me see what I can do.

Now, as the parties walk away from the exchange, management is aware that Yashika feels underappreciated, and Yashika knows that her concerns have been heard and that management is trying to do something, even if they are not going to pay her more in salary.

As noted in this example, interests need not necessarily be tangible. **Tangible interests** are underlying wants that can be seen, touched, or felt (e.g., money, goods, time). Interests can also reflect, for instance, a desire to maintain a relationship or respect or trust. These are **intangible interests**, underlying wants that cannot be seen, touched, or felt (e.g., respect, love, appreciation). If the interest of the person you are negotiating with is for you to show them respect, it doesn't matter how much money you give the person; what matters is how you treat that person. Showing respect through your actions and words will mean more to the employee and will ultimately be the key to your getting what you want. Consider another example:

J.E., the buyer, was negotiating for a 1965 Mustang with a seller, David, whom he met online. There were several hurdles to the negotiation, not the least of which was that J.E. was located on the East Coast and David was located in Phoenix, Arizona. This meant that J.E. not only had to negotiate with David for the price of the car but also had to figure out how to get

the car back to the East Coast in an affordable way. On top of this was the uncertainty about purchasing a used car built in 1965. Is it in good condition? How is the paint? Are there any engine troubles? David sent him pictures, but there still remained a great deal of uncertainty. J.E.'s interests thus were to lower the price to the level at which he would (a) be comfortable with a reasonable number of emergent problems and (b) have enough money to get the car back from Phoenix, by either shipping it or driving it. When discussing the price of the car with David, he noticed that David was reluctant to lower the price below \$16,000, but that reluctance did not tell J.E. anything about David's interests. David assured him that the car was in great shape, but from J.E.'s perspective, he didn't have much reason to trust a stranger on the other side of the country. In fact, it gave him the impression that David was very inflexible and primarily concerned about money.

At this point in the negotiation many potential buyers would just walk away, not realizing the intangible interests at play. David's desired position is \$16,000, and it's clear he wants to negotiate based on this desired position. David doesn't want to move the price, yet J.E. has a lot of concerns that need to be addressed in order to agree to the deal. What could J.E. do? What were the underlying intangible interests he didn't know about? Here's a bit of background on David.

David bought this car in 1991 and it had been his dream car for 20 years. Because he was a mechanic by trade, he had personally restored it and taken great care of it. Most of all, he enjoyed driving it and taking it to car shows. He was forced to sell it because of the recession that began in 2008; he lost his job and needed the money. Needless to say, this was painful for David. It turns out that while the money was obviously important, the most important thing to David was selling the car to someone who would respect and care for the car as much as he did. To him, selling the Mustang was like losing a member of his family, and he really did not want to see it go to someone who wouldn't be able to appreciate it as he did and who wouldn't love to drive it.

We can see here David's interests—that he is losing a “member of his family” and he desperately wants someone to love and care for the Mustang as much as he did. The sales price of \$16,000 (or any amount of money) is not going to address this intangible interest of David's. What allowed David to say yes to the deal was learning about J.E.'s intangible interests:

As the negotiations went on, J.E. communicated that he had wanted this car since he was a little kid and planned to drive around in it every weekend and keep it for a long time.

Unbeknown to J.E. at the time, this was crucially important information for David and made him much more likely to be flexible on lots of issues, including helping to get the

car to J.E. The eventual negotiation was resolved very positively. Once David accepted that J.E. was the kind of buyer he wanted to sell to, he was extremely helpful. Whereas before he had seemed suspicious and reserved, he now was overly generous.

In this example of David and J.E., if they had only discussed positions, there would not have been a deal. But once both parties understood the underlying interests of the other person better, not only was a deal possible, but in fact a deal that both parties were very happy with was struck.

Understanding the concept of interests and how they underlie positions and offers in negotiation will open the door to agreement, as we see in the previous example. There are two reasons that parties are motivated to collaborate when interests are on the table. First, because you are giving the other party something they value, they will reciprocate. This is what we will focus on in Chapter 4. Second, you are addressing needs that are personal to them, needs that may be tied up in their identity. You will learn more about how to manage these intangible interests in Chapter 5.

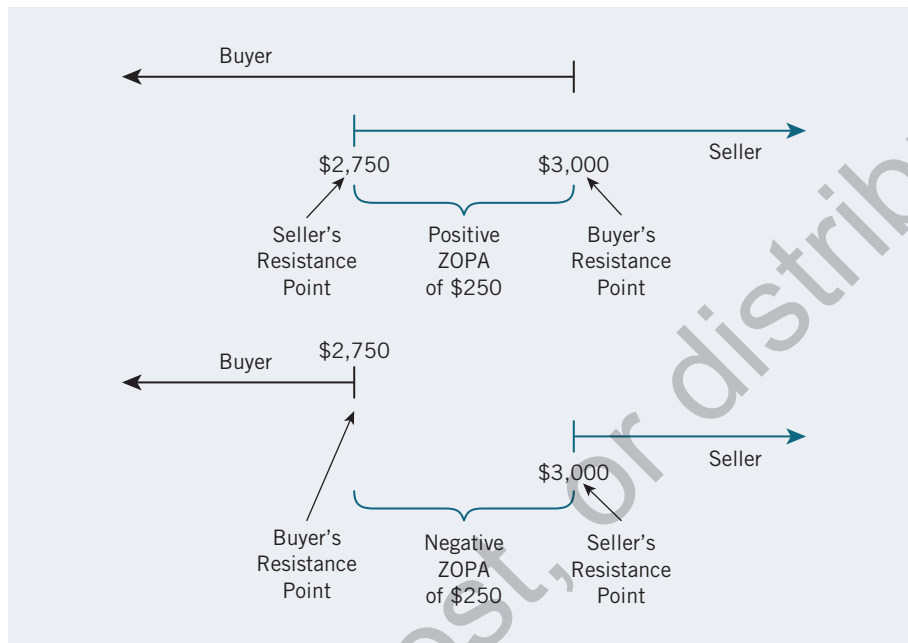
ZOPA and Resistance Points

A tool for thinking about how much value you may be able to obtain from a negotiation is the **zone of potential agreement (ZOPA)**. The ZOPA represents the distance between each party's respective **resistance point**, or the point at which a party is willing to walk away.² Consider a very simple example: a negotiation between two parties on one issue, the price for a specific product. Assume that two parties meet through an online selling website such as Craigslist. One party is trying to sell a motorcycle, and the other party is trying to buy the same motorcycle. Each party has their own resistance point, and it is the overlap in the resistance points that determines the ZOPA. If the buyer is willing to pay up to and including \$3,000 to buy the motorcycle, and the seller is willing to take any amount at or above \$2,750 to sell the motorcycle, they have a positive ZOPA of \$250. This is shown in the first part of Figure 2.2.

It is possible, however, that the seller is only willing to go down to \$3,000 to sell the motorcycle and the buyer is only willing to pay \$2,750. In this case they have a negative ZOPA; -\$250 (as shown in the second part of Figure 2.2). That is, there is no dollar amount that will, on the surface, satisfy both parties. At this point negotiators should realize that in order to solve this negotiation they have to *change something*. The two obvious resolutions to this problem are (1) one or both sides could influence the other side to change their resistance point and (2) one or both sides could walk away from the negotiation. Final settlements of negotiations almost always fall between the resistance points unless some other strategy is used.³ There is a third alternative, however, and that is to create value to bridge the gap. If value can be added to the negotiation, it might be a way to change the negative ZOPA to a positive ZOPA.

The idea of the resistance point is not only relevant in one-issue negotiations, however. Even in multiple-issue negotiations resistance points can impact whether or not negotiators are able to reach agreement. This can happen for two reasons. First, in a multiple-issue negotiation a negotiator could have a resistance point on a specific issue that they care about. For instance, a job applicant might be negotiating a signing bonus,

Figure 2.2 Positive and Negative ZOPA



moving expenses, starting date, a new computer, and salary; because salary is the most important issue to the applicant, the applicant will have a resistance point on salary that will impede the ability for the applicant to say yes to a deal with a salary below that point, regardless of what is being offered on the other four issues.

Second, a negotiator could have a resistance point that is formed from the combination of positions on various issues. If the applicant needs \$5,000 to relocate, then the applicant's resistance point would be \$5,000 for the combination of signing bonus and moving expenses. That is, the applicant doesn't particularly care which "pot" of money it comes from, as long as he or she is getting a total sum of \$5,000 before the job starts.

Creating vs. Claiming Value

Some negotiators find it helpful to distinguish between different types of negotiations and the processes within them. One of the most popular distinctions is referred to as creating vs. claiming value. **Creating value** is the process by which negotiators find ways to increase the total value to be gained from the negotiation. If we start from the premise that individuals have a fixed-pie bias (see Chapter 1), we can see how important creating value is to negotiation effectiveness. This creation involves one or more negotiators

overcoming this fixed-pie bias and realizing that there might actually be more value that could be added to the negotiation rather than splitting (or compromising on) the obvious issues. While there are multiple ways to create value, this typically happens when negotiators recognize that because they have different interests, they can make trades where the cost to one side does not equal the benefit to the other. When negotiators successfully create value, it is often said that they have reached an **integrative agreement**.

In the motorcycle example, the seller could throw in a helmet (\$100 value to buyer) and saddlebags (\$150 value to buyer) to close this gap. This tactic is called adding issues (discussed more thoroughly in Chapter 4). This creates value because these items are worth nothing to the seller. The seller is getting rid of the motorcycle, so there is no value in keeping the helmet and saddlebags. If anything, the seller probably wants to be rid of them to free up storage space. By adding these issues, \$250 of value has been created in the process of negotiating. Once these issues have been added, the buyer and seller should be able to come to agreement at the price of \$3,000.

Claiming value, on the other hand, is the process by which one party attempts to negotiate in such a way as to cause the other party to give up something without getting anything in return. This is related to one of the mistakes discussed in Chapter 1—assuming you know what good negotiation looks like. Many individuals believe that good negotiation is only about claiming value, that is, forcing the other side to capitulate or give in. While such tactics can work and in some cases are needed, negotiation is more than claiming value. When two negotiators only claim value, they are said to have reached a **distributive agreement** because they are merely “distributing” rather than creating value.

Summary. The concepts of interests, positions, issues, and the understanding and convincing approaches will be ones we refer to repeatedly in this book. The reason so much negotiation teaching and research is focused on understanding the other side is because it does not come naturally to negotiators. The basic human instinct is to protect your resource and “fight” with the other side to convince them as much as possible. You should know, however, that there is another way to negotiate, a way that will likely get you even better deals and bring you more value. The path through understanding is difficult because you have to collaborate with the person you initially thought you would be fighting with. This willingness to be vulnerable will open the door to many types of agreements not previously possible.

PREPARING FOR THE ETHICS OF NEGOTIATION

While not all negotiations involve critically important ethical dilemmas or difficult ethical choices for the individual, almost all negotiations, by their very nature, will involve some ethical component because most negotiations involve invoking some manipulation of another party. We will consider the question of ethics from a variety of perspectives, examining not only the question of what exactly ethics, and being ethical, means in negotiations but also various examples of behavior that might be considered

unethical, the reasons people engage in unethical behavior, and the many things that may determine whether or not a particular behavior is ethical or unethical in a given situation or context.

What Are Ethics?

Ethics are social standards for what is right or wrong and are rooted in considerations of philosophy and morality. In other words, ethics are generally accepted rules or expectations for what is appropriate and inappropriate behavior. Originating in moral philosophy, ethics are more specific than general social norms or manners. It might be normative in a society to not loudly burp, but deciding whether or not to engage in such behavior in a crowded elevator is not necessarily an ethical question. Ethics are usually more narrowly focused on issues of right and wrong, virtue and justice.

The context of negotiations can be a somewhat tricky and slippery area for ethics. Negotiation inherently involves attempts to influence another party for your own benefit. The practices used to do this and the results of the negotiation are likely to relate to ethics because although people benefit by negotiating, they also may be denied benefit or even harmed. Clearly some ways of trying to manipulate other people, or some agreements where people are worse off afterward, could easily be considered unethical.

Why Are Ethics Important?

People care a great deal about fairness and justice, and behavior that is perceived as being “unfair” and “unjust” is typically considered unethical because “right” and “wrong” are tightly linked to perceptions of justice and fairness. Organizational researchers have spent decades studying and refining concepts of fairness and organizational justice,⁴ demonstrating the importance of justice perception in social interactions. The study of fairness and justice has led to the development of research into different types of justice (distributive, retributive, and procedural) and the realization of how crucial employee perception of fairness and justice is to the psychological contract, job satisfaction, and motivation. Evolutionary psychology researchers suggest that humans are particularly sensitive to issues of unfair allocations of resources and are extremely conscious of status, a trait that presumably goes back far beyond the ancestral environment of *Homo sapiens*. We know this because research shows that primates demonstrate similar concern about equitable allocations and status.⁵

It is easy to think of examples of fairness or justice “violations” that cause conflict, anger, and resentment in modern organizations. This includes things like people taking credit for someone else’s effort, people being compensated differently for the same work, supervisors abusing their power, or a company not living up to promises about bonuses, promotions, and layoffs. It is important to observe how relatively small things, but things that are perceived as being “unfair,” can have a profound impact on conflict and relationships in organizations.⁶ Not surprisingly, using tactics that are ethically questionable does not necessarily benefit negotiation performance and can leave negotiators quite unsatisfied.⁷

Research in economics and game theory has also demonstrated how people place considerable value on fairness. The “ultimatum game” (or dictator game) is an experiment in which two people decide on the allocation of a resource.⁸ A typical example of an ultimatum game involves two strangers. These two individuals are each told that they will have the chance to share a resource, but the division of that resource will be decided in a specific way. The first person will propose a split (it could be 50:50, or 70:30 in his or her favor, or even 99:1 in his or her favor—he or she can suggest any split). The second person will then decide whether to accept that allocation or reject it. If the second person rejects the split, neither person gets anything and the interaction is over, with no further contact or additional interaction. The key to this type of “game” is that traditional economic theory tells us that the first person *should* suggest a very uneven split (in his or her favor), because the second person *should* accept any allocation that results in a benefit. In other words, since \$5 is better than \$0, if the first person proposes a \$95 to \$5 split, the second person should accept that deal, since \$5 is better than \$0.

From an economic perspective, the choice between accepting the \$95 to \$5 split and rejecting it is in principle no different than the choice between being offered \$5 and \$0. However, as many studies have repeatedly demonstrated, people care a great deal about the potential “unfairness” of an uneven allocation. An allocation of \$95 to \$5 will almost always be rejected, leaving both parties with nothing. Even allocations of \$70 to \$30 will most often be rejected, even though, in theory, people should pick \$30 over \$0 all the time. These studies have even been replicated in societies where \$30 represents a substantial sum. What this tells us is that people place a substantial value on perceptions of fairness and justice. Interestingly, this not only affects the second party in an ultimatum game but also the first party. What is typically seen in these types of scenarios is that the initial split is usually very close to a 50:50 split, showing that not only is the second party sensitive to the unfair allocation, but so is the first party.⁹

Negotiation is clearly a context in which issues of fairness and justice are going to be particularly salient and visible. Not only are there obvious ways in which the outcome of a negotiation might easily be perceived as unfair or unjust (by one party or both parties), but the process itself can potentially create perceptions of unfair or unjust behavior, all of which can be thought of as unethical. People often look back on negotiations and feel that they were treated unfairly or poorly, especially with the clarity of hindsight.

Having a Personal Standard

With respect to process and practices, much of this book discusses different tactics negotiators can use. Often, these tactics manipulate or manage the perceptions of the other party. Yet even the word *manipulate* has an almost pejorative connotation, implying unclean motives and questionable ethics. But manipulation of perceptions in some form must happen in negotiation; otherwise, people will not change their minds or their positions or their offers. This is why a discussion of ethics in the context of negotiations is so important. What makes it very difficult is that there is much more gray area than black and white.

Consider the fact that most societies agree that lying is generally an inappropriate and unethical act. Although people may acknowledge that there are occasions when

“white lies” are not too inappropriate, or when a lie told to help someone (or protect someone from harm) might be acceptable, the general consensus is that lying is wrong. However, the process of negotiation is inherently deceptive, often on multiple levels. For example, if the other party asks what your bottom line is, either you don’t answer (i.e., withhold information), or you are vague and obfuscate or imply that your position is a strong one (i.e., deception), or you bluff and actually answer the question but with an inaccurate answer (i.e., outright lying). Now, depending on the particular negotiation context, the specifics of the situation, and even the attitudes and cultures of the people involved, all of those possible behaviors may be entirely appropriate. Thus, throughout this book, we are not prescribing rules; rather, we pose questions to ask so that you can make sense of what you think legitimate behavior would be.

For example, in the United States, giving preferential treatment to social connections (e.g., friends, family) with respect to contracts and employment is frowned upon or illegal. In China, the concept of *guanxi* implies an obligation to give preferential treatment to those in your social network with respect to contracts and employment. Neither is universally “right,” but both guide what ethical behavior means in that cultural context.

If you were negotiating for a job at a major firm, say, a large investment bank in New York City, it would almost certainly be considered inappropriate to outright lie about your education (e.g., claim to have degrees or certifications you do not have). However, exaggerating your abilities or skills in certain areas may or may not be considered inappropriate. One interviewer might see an exaggeration of skills as being a sign of the kind of ambition and drive that an investment bank wants, whereas another might perceive the exact same behavior as evidence of weak moral fiber. It is up to you to discern what is expected and appropriate in the context and behave accordingly.

Finally, there might be instances where lying would not be considered inappropriate. Suppose you do not have any other job offers from competing investment banks, but when negotiating salary, you suggest that the employer would have to offer you \$10,000 more in order to make you pick them over other offers. Again, some observers might consider such a “bluff” to be entirely acceptable negotiating behavior, whereas others might consider it dishonest and unacceptable. If such a bluff is used, even the manner in which it is done can be the difference between someone perceiving it as dishonest or not. In other words, if a claim is made of a specific competing offer that doesn’t exist, it obviously runs a greater risk of being perceived as dishonest than if you make a vague suggestion that you might have other options to consider.

The previous examples highlight two important aspects to ethics. The first is that the perception of something being ethical or unethical can depend on a lot of different factors, both *between* contexts (e.g., buying a rug in a Turkish bazaar vs. negotiating with an investment bank for a job) and *within* contexts (e.g., lying about your degree vs. lying about a competing offer). The second aspect is that the perception itself can depend on a lot of different factors, most based on the individual differences (in beliefs, values, attitudes, etc.) between people observing the same behavior. Since there is no rule, we advocate people have a clear personal standard.

Integrity is one of the most valuable things you can possess—not just in negotiations, but in life. Some people would even argue that it might be one of the few things

you can really “own,” in that it cannot be taken from you without your permission (unlike material possessions, money, health, etc.). A reputation for integrity can be particularly valuable in a negotiation, because it provides an additional and sometimes powerful source of influence. If the other party is aware that you have a strong reputation for integrity, building trust is going to be much easier than if you have no reputation (or have a negative one). As we will discuss in other chapters, trust can be a critical component in finding solutions that create value for both parties. Integrity essentially means that people believe you behave in an ethically laudable way. Integrity is also something that leads people to respect you. People are much more willing to help and accommodate those whom they respect, as opposed to those whom they do not.

Bad People or Bad Behavior?

The reason that having a personal standard is important is that many examples of unethical behavior and ethical lapses are not necessarily the result of “bad” people or individuals who consciously decided to do “bad” things, but are often the result of people in an unfamiliar context or situation who end up behaving in ways that they would not have done in other situations. The field of social psychology is replete with examples of how the situation can be a much stronger predictor than personality, values, or any individual internal characteristics. Well-known examples are the studies on obedience by Milgram, the studies on conformity by Asch, the Stanford Prison Experiment by Zimbardo, and the studies on bystander apathy by Darley and Latané.^{10,11,12,13} In all of these research studies the context leads individuals to behave in ways (often morally reprehensible) that they would not have otherwise.

Our argument is that the more you have carefully thought about ethical issues that may arise—both generally as well as specifically in the negotiation situation you are about to enter—the less likely you are to be swayed into behavior that might be inconsistent with your values or that you might later regret.

As an example, imagine that on behalf of your company you have traveled to another country to negotiate the sale of some raw material to a local manufacturer and one of the officials you are meeting with on your trip is from the customs agency. Suppose that during your discussions with this person, you get the clear impression that you are being asked for a bribe to “facilitate” your product getting through customs and prevent it from being unnecessarily delayed or stuck in bureaucratic limbo for months.

Our purpose in this book is not to tell you, the reader, what you *should* do in that situation. We have no basis for providing the “correct” answer that can supersede your personal views on ethics and morality. Some people reading this book would not hesitate to pay the bribe, whereas others would categorically refuse to do so based on principle; still others would try to find some other way to solve the problem, perhaps by hiring a local, who understands the local norms and expectations, to manage the situation.

What we are telling you, however, is that having a clear insight into your personal standards, and an understanding of what you are willing to do and what you will not do, will help you resist undue influence that the situational context might provide. Following the previous example, if you plan to do business with officials in a foreign country, you must not only have an understanding of how behavior is perceived and interpreted

in that culture (in order to avoid misperception and miscommunication that might result in an incorrect judgment of unethical behavior) but also have made decisions ahead of time in terms of what you are willing to do and not willing to do. Agreeing to pay a bribe in order to help your company succeed in the specific situation will not be useful if you are fired by your company the following week for violating their policy.

A rule of thumb that is often useful when faced with a difficult decision or ethical dilemma in a negotiation (or in any situation, for that matter) is to ask yourself if you would mind if your friends or family knew about your behavior in the negotiation. It's essentially the "billboard" test: If you would not mind your behavior described on a giant billboard in your home town, then it almost certainly doesn't violate your personal standard. However, if you would be embarrassed and mortified if such a billboard were put up after the negotiation, then you may have violated your personal standard. When faced with a difficult choice, thinking about such questions might help you figure out what course of action is appropriate for you.

CHAPTER REVIEW

Discussion Questions

Consider the following scenario happening in the Belk family:

The Belk family has four members: parents George and Michelle and their two children, Adam (2 years old) and Katie (6 years old). They live in Fairfax, Virginia. George is a teacher in the public schools and commutes to Arlington, every day, about 30 minutes away. Michelle, his wife, is a marketing executive for a small consulting firm in Herndon, also about 30 minutes away. Michelle works in the office 4 days a week and works at home 1 day a week. Michelle has just recently gone back to work after caring for Adam at home since he was born.

The Belk family have found themselves in some conflict about what to do regarding child care for Adam. Currently Katie, in kindergarten, is dropped off at school at 7:30 am and picked up by George at 4:30 pm. The conflict has arisen over how much to pay for child care and where to send Adam, with Michelle willing to pay more than George.

In anticipation of talking with Michelle, George spoke to his parents in Florida, who told George

that couples in their neighborhood pay about \$600 a month for child care for a 2-year-old. George also spoke to a coworker who lives close by in Maryland who has a neighbor providing day care for \$800 a month. Going to Maryland is too far for them to travel, however. Michelle, on the other hand, has researched one local day care center, KidTime, which charges \$1,000 a month. To date they have not found any neighbors who are currently offering day care.

Michelle prefers KidTime because it is close to their house, so either one of them could take Adam in the morning and pick him up in the afternoon. George's target is \$600, and he is willing to pay between \$500 and \$800. Michelle's target is \$900, and she is willing to pay \$700 to \$1,000. She thinks they have to pay a minimum of \$700 to get quality care for Adam. Here are the discussions between Michelle and George.

Michelle: We need to solve this child care situation. My mom is leaving next week and we have no child care plan.

George: Yeah, I know. I've seen the KidTime brochures you've been leaving around the house. I just don't know how we can afford that.

Michelle: But it's everything we want! After seeing these awesome brochures, I went to visit the place on my way home from work and found it amazing! They have rubber mats everywhere, slides for the kids, even a pretend farm that the kids can play at! A farm! Just unbelievable!

George: Well, what snacks do they give?

Michelle: Uh, I don't know. I didn't ask.

George: Who works there? Are they college students, or are they more experienced providers?

Michelle: I'm not sure.

George: I'm just not comfortable spending our entire savings on \$1,000 a month at KidTime. If we could just limit child care expenses to \$800, we'd be able to put more money into Adam's college fund.

Katie: Mommy, Adam put a raisin up his nose! Help!

George: Go help the kids. I'll do some research and let's talk tomorrow, okay?

(The next day)

George: So I've looked around a bit and found another place, ToddlerCare, that is only \$900 a month. I know it's more than I want to spend, but it will still save us \$1,200 a year versus going to KidTime.

Michelle: Where is it?

George: It's about 20 minutes away, and it's on the way to your office. You could drop off Adam around 8:00 am and one of us could pick him up in the afternoon.

Michelle: What's it like?

George: Well, I went on their website to get all of the relevant information. They have a staff-to-student ratio of 6:1; they only give organic, nonsugary snacks; they have no staff under age 25; and everyone has at least 5 years of experience. They also do not have infants in the facility, which means more attention is paid to the kids. This is really important to me as I want Adam to get a lot of attention.

Michelle: Do they have a pretend farm?

George: Well, no, but they do have plenty of toys and an outside play area for when the weather is nice.

Michelle: I suppose we could go take a look. Thanks for doing that research.

(The next day)

Michelle: So I've been thinking about this, and I have a bigger concern after talking to my friend Janice at work today. She kept talking about how her kid was sick all the time when he was in day care and I'm wondering whether a day care center is a great situation or not.

George: Why didn't you say this *before* I did all this research?

Michelle: I'm just being honest.

George: But Janice is a hypochondriac—since she's always sick maybe her kid is always sick.

Michelle: Yeah, I know, I thought of that too, so I went online and found an article that says kids are twice as likely to get sick in day care centers as they are at home.

George: How could we keep him at home, though? You want to go back to work.

Michelle: Well, what if we get a nanny for 4 days and I keep him the fifth.

George: Can we afford that?

Michelle: Well, I didn't think so, but I looked into it, and nanny prices for 4 days a week seem to range from \$600 to \$900 per month. With my flexible schedule I should be able to make that work.

George: I don't know if I'm comfortable leaving my kid with a stranger.

Michelle: Well, we can get references and do interviews, and if we don't like the nanny, we can either switch or go to one of the day care centers.

George: How can I help find a good one?

Answer the following questions based on the scenario:

1. Who are the parties at the table?
2. Who are the background participants?
3. Who are the background nonparticipants?
4. How do the background participants and nonparticipants influence the negotiation?
5. What are Michelle's interests?
6. What are George's interests?
7. What are the obvious issues in the negotiation?
8. What are the potential issues in the negotiation?

9. What are the positions brought up in the negotiation?

10. What's the ZOPA?

Concept Application

1. Find a public dispute (one being written about in the media) and infer what the interests and the positions are. Report these to the class, along with the evidence for your inferences. State why it is important in this negotiation to separate out the interests from the positions.
2. Think back to a negotiation you were recently in. Answer the following questions and report your answers to the class.
 - a. What were your interests? How were they reflected in your desired positions?
 - b. What were the other party's interests? How were those interests reflected in their desired positions?
 - c. Why was it helpful in this negotiation to understand the distinction between interests and positions?
 - d. What were the issues negotiated in this negotiation? Of those issues, which were obvious issues and which were potential issues?
 - e. If you negotiated over money or some other quantifiable item, did you have a positive ZOPA? A negative ZOPA? How do you know? How did this ZOPA impact the negotiation? Did you have to try various tactics in order to reach resolution?



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