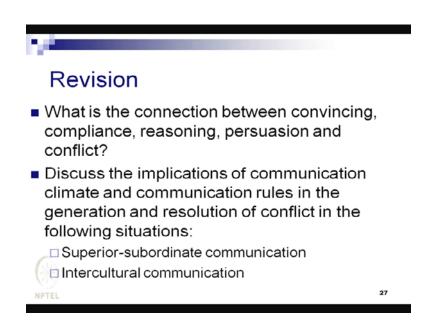
## International Business Communication Prof. A. Malik Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

## Lecture - 32 Negotiation and Conflict Management (Contd.)

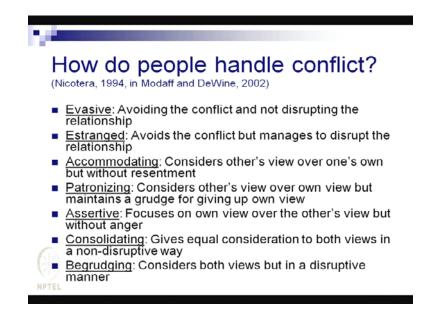
Welcome back to the class on International Business Communication, we were talking about conflict, last time we were discussing different things, we talked about what conflict is, we talked about how conflict occur, we talked about how conflict comes up, and how people deal with conflict. We will discuss the Negotiation and Conflict Management, again today we will discuss how what negotiation is and what the different strategies for conflict management.

(Refer Slide Time: 00:55)



Some revision, what is the connection between please discuss amongst your selves, what the connection between convincing, compliance, reasoning, persuasion and conflict is I would also like you to discuss the implications of communication climate, and communication rules. In the generation and resolution of conflict in the following situations, how does this effects superior sub ordinate communication, how does this effect intercultural communication that is something I had like you to discuss before we move on.

## (Refer Slide Time: 01:37)



We were talking about how people handle conflict, we talked about different strategies for handling conflict, we talked about people being evasive, people being strange, people accommodating, people adjusting to what other people are saying. And then accommodating, and then sought of handling conflict accordingly, we talked about patronizing where they say I will help you. But, you know I will help you with the cost to myself.

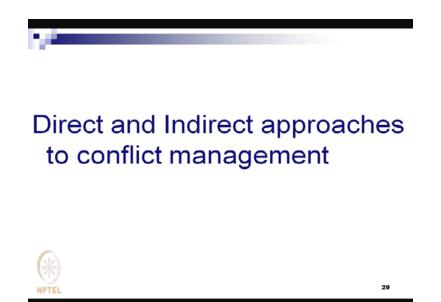
And I am going to make sure you know that I am taking ahead for you or we people can be assertive, people just say it is my way or the high way it is a conflict. I will have my way no matter what consolidating, where people give equal consideration to both view in a non disruptive way. And be grudging, where people consider both views, but in a destructive manner you say I am going to do it, but I do not like what I am doing I do not like acknowledging your view point.

But, I seem to have no choice, but it does not mean that I will not take my own point of view to count. Now, the difference between patronizing and begrudging is, in patronizing I will let you have whatever you want, I will let you take whatever you want, but I will always hold a grudge against, even I will say or I will keep reminding you that remember on, so on. So, occasion or I you had your own way I let you have your own way, in a begrudging kind of situation I will say we both will do it.

But, I am not comfortable being in this conflict, I am not comfortable dealing with this, we will deal with our issues, but I am just not comfortable with this situation. So, that begrudging and of course, you know these are some of the ways, none of whatever I say is exhaustive. Please believe me when I say this, nothing in the social science is ever exhaustive, nothing can really cover the entire gamete of the action, entire you know range of emotions or activities that we have.

So, that is what I wanted to bring to your notice it is just not possible to cover everything in the social science human nature is, so unique, so diverse, so dynamic that everything is constantly changing. So, nothing that I say is ever going to be exhaustive you as human being will always have, you as people as who are experiencing different things, people who are evolving who are evolved in different kind of interactions, will always have something to add to whatever I am telling you and that is alright.

(Refer Slide Time: 04:14)



Some more approaches to conflict management you could approach conflict directly or you could approach it indirectly.

## (Refer Slide Time: 04:22)

 Indirect conflict management approaches (Schermerhorn, Hunt and Osborn, 2010)
 Reduced interdependence:

 Decoupling: Taking action to eliminate or reduce the required contact between conflicting parties
 Buffenng: Building an inventory or buffer between the two groups so that any output slowdown or excess is absorbed by the buffer and does not directly pressure the target group
 Linking-pin Roles: Assigning people to serve as formal linking pins between groups that are prone to conflict. e.g. Project Liaisons

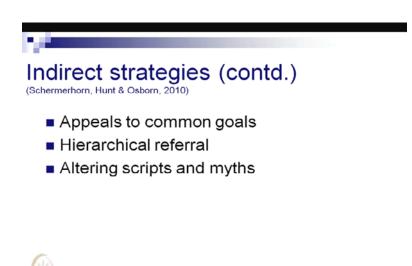
Indirect conflict management approaches could be, you reduce the inter dependence between two people, if inter dependence is a cause of the conflict you reduce the inter dependence. And in order to do that you de couple, which means you take action to eliminate or reduce the required contact between the two conflicting parties, you say the inter dependence is causing the problem, let us remove the inter dependence. Let us remove the reason for this conflict.

Buffering is building an inventory or buffer between the two groups, so that any output slow down or excess is absorbed by the buffer and does not directly pressure the target group. So, you create a buffer and you will say that you know there is a mediator, there is something that will help you went your steam before you reach the other party, you create a buffer between the two people give them more work. Inter dependence is the same, but amount of timely spent on the inter dependence, could be reduced.

The number of people who are involved in that inter dependence activity could be reduced. So, the intensity of inter dependence is same, but that the other stuff could be reduced, linking pin roles is another thing here you assign people to serve as formal linking pins, between groups that are prone to conflict, you could have project liaisons you say, if you want to talk to each other you have to go through this person it is not a buffer.

But, there is a linking pin there is somebody who is more neutral to the whole situation that these people are and that can help reduce the inter dependence. And that can help sought of mitigate the con sequence of the conflict.

(Refer Slide Time: 06:11)

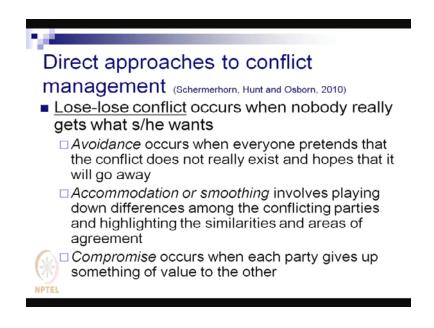


Another indirect strategy could be appeal to common goals, you could refer it to hierarchy or you could alter scripts and myths. Now, what do you mean by altering scripts and myths, this means that you change the interpretation of the situation or you encourage the parties to change their interpretation of situations, you encourage the parties to alter what they believe about the issue that is being discussed or that is being conflicted that is causing the conflict.

When we say script, we are essentially talking about to concept they have in mind they description of conflict situation is the script. Myth is the assumption it could be right, it could be wrong, but most often these assumption are exaggerated versions of the reality. So, when we talk about altering scripts and myths, we say why do not you question your assumptions, why do not you re look at your assumptions, why do not you reconsider your assumptions in light of some more research about the other party.

Some more research about the issue, some more introspection about what you really want out of this situation. And when you do that, then you will realize that may be it is not such a bad situation after all or may be time has healed all or may be your priority is have changed. And so you alter the definitions of the issue and what the issue means to you, and or to the parties involved, and how important it is to the parties involved and that can help reduce the amount of conflict between these parties.

(Refer Slide Time: 07:52)



Some direct approaches to conflict management are, you could have a lose, lose conflict when nobody really gets what they want. So, it is sought of you know it is a situation in which both the parties end up losing, both the parties end up giving up something. Avoidance occurs, you know you could make both the parties suffer for you know for want of a better world, you could make both the parties suffer for being in a conflict situation.

Avoidance occurs, when everybody pretends that the conflicts does not really exist and hopes that it will go way, two people are inter dependent on each other they are conflicting. So, you remove the reasons for inter dependence, it could be a common project and you said because you are fighting, so much let us just end the project here. Everybody loses, you lose your benefits, you lose your professional creditability may be or reputation or the progress of your progress to words, your next position could be slowed down.

But, your fighting, so badly you say this ends right here and you avoided remove that it is a lose, lose conflict everybody stand to lose both the stake holders stand to lose and you just pretend that it does not exist. Let us not work on this for some more time or let us stop interacting for some time, yes we will lose some amount of money, we will lose some amount of you know we will not be able to make any more progress on this project, but let us just let it set for a while and little go away.

Accommodation or smoothing involves playing down differences among the conflicting parties and highlighting, the similarity and areas of agreement. Now, you will say how could this be a lose, lose conflict the manner in which this is a lose, lose conflict is that when you accommodate to each other party, you let go of a little bit of what you want and you say. I will adjust to your needs, I will let go of 20 percent of what I want you also let go of 20 percent of what you want.

And sought of you know both of us are not really satisfied, but at least we are friends with each other, at least we are in a longer working relationship with each other. Compromise occurs when each party gives up something of value to the other, and you say you want something I have here take it, and I will take what you want, what you have that has more value for me. And we will come to an agreement where both of us feel satisfied.

The difference between accommodation and compromise is that compromise is a little more satisfying, than accommodation or smoothing where you say in smoothing you say we accept that we are different, we will cut the portions that are causing this problems. So, we both stand to lose a little what we really gain out of this situation is the long term relationship we have to work with each other, so let us just work on areas that matter most to both of us, and let just let the other things be in a compromise we say we try and fit everything together.

And sought of you know we will find a common ground and build a more consolidated more tight kind of situation ((Refer Time: 11:03)) win lose conflict is one party achieve it is desires at the expense, and to the exclusion of the other party's desires. Again few other resources, one person gets the resources, one person does not that is the win lose conflict, we have competition is one such type of conflict where one party achieves a victory through force superior skill or domination.

So, you know competition there are a few one person has to get the contract everybody applies, open competition you have superior skills, your contracts are your tenders are viewed they are assessed. And one person gets the contract, and the other person does not and it is based on what you present to the deciding people, authoritative command is a formal authority that is simply dictates a solution and specified what is gained what is lost by whom.

And you know people are fighting, and then the boss says you know they have big person next in hierarchy says, you know what we had enough of this x gets what he wants y does not get it there is just one of this, you get promoted you do not. Because, your fighting to much or you get promoted you do not because you know, so and so skills are superior than yours and I am saying this. Because, I have the authority to put my foot down and end this conflict here and now.

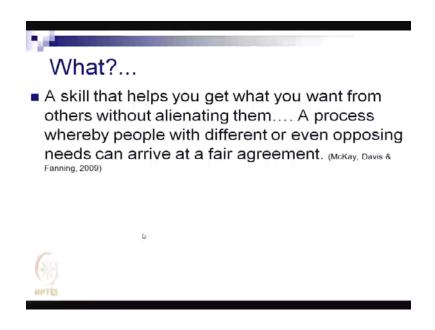
(Refer Slide Time: 12:28)



Win-win conflict is a blend of high cooperation and assertiveness, both lay whatever they want down on the table and both say this is what we want this is what we can stand to lose without very much discomfort to either of us. And then you say let us get together and build something new out of this collaboration, it is not really about losing it is about creating more value out of the common resources.

So, we are conflicting, but let us find more meaning into this difference and let us build something positive, and that is where collaboration or problem solving comes in. You recognize that something is wrong and needs attention, and then both the parties get together and build on that. And now I am talking you back to I forget the lecture number, but we had a lecture on collaboration. So, it is all inter connected like I told you in the last lecture, it is all inter connected you can always take any slide back to any other slide or any part of any lecture back to any other part of any other lecture, and connect it that is how messy and difficult this course is, but it is all very applicable. So, I hope you are enjoying it as much as I am.

(Refer Slide Time: 13:43)



Negotiation, we were talking about conflict management negotiation, negotiation what is negotiation it is a skilled that helps you get what you want from others, without alienating then. It is a process whereby people with different or even opposing needs can arrive at a fair agreement, we will talk about a different kind of negotiation where, people tend to get alienated. But, that really does not qualify as a you know it does qualifies a negotiation, but again there is some discussion involved.

But, what really happens is that in negotiation is it is a skilled that you develop that helps you get what you want, without necessarily putting the making the other party uncomfortable this is from a book called messages by McKay Davis and fanning I will put that in references.

## (Refer Slide Time: 14:29)



Why do you need to learn about negotiations, we need to learn about negotiations because negotiations are applicable in daily life, we have negotiation in business environment. Now, let us talk about our daily life what happens, when you get up in the morning, typical thing to do in India is first thing in the morning people go out for a walk, and they buy milk and vegetables and bread and eggs on their way back. And so you have vegetables vendors, sitting there with fresh veggies early in the morning you have people selling milk and bread and eggs in the morning.

And people generally just walk and lot of pick these things on the way back for a fresh home cooked breakfast, what happens when you go there bread, eggs, milk, pretty much slandered rates. What happens with vegetables and fruits haggling, bargaining person says I just plucked it from the field, just you know half an hour ago and this is as fresh as it gets, and you say no this is stale.

And because it is stale I will give you 10 rupees lesser then what you are asking for return. He says no this is fresh and then you point out to some dead leaf, and you say see I told you have plucked it yesterday you are lying and so this constant negotiation goes on, you come home and the lady in the house says I am going to make breakfast that has that caters to the choice of 3 out of the 5 people in the family.

And you say what about my choice and she says you have your choice at lunch time or dinner time take your picture I cannot make it right now I have to cater to the younger, may be kids are there and she says I have to make their breakfast, they have test or make their favorite breakfast, so that they do well in the test.

And, so you know, so these things happen in our daily life, when you come to negotiations in the business environment. We negotiate over everything, we negotiate over what we want over our roles in the organization, this is what I was I am being paid to do, this is as much as I will do this is what I will not too this is what I was hired for why am I being given less work am I being given more work, why am I being given less responsibility then my pears, why am I being given larger work load done my pears when am I going to get my promotion all of these things.

The bottom lines is the negotiations from the basis for creation and maintenance of successful relationships. So, what this really means is that unless we and what are we essentially talking about here, we are essentially talking about the negotiations of the satisfaction of communication rules. How satisfied are we with the way people are dealing with us, how satisfied are we with the manner in which we are getting, what we really want from our environment or from the people who we are interacting with.

We have talked about the reasons why people communicate are we communicate only when we you know when we have something that we want to bring back to normal or the something that is not happening in the environment that is to our liking or we need something, we need people to do something for us. We have all these intentions attached I mean that will be taking as back to lecture 1 from I am not going to give you too much detail about it. But, again when we talk to people depending on our satisfaction with how they respond to us, we create we maintain, we build relationships. And communication is the bottom line for that, it is the basis for the creation and maintenance of any relationship.



Key ingredients of negotiations, the parts of negotiations in any negotiations situation you have two or more independent participants. Each has some individual goals that may be partially incompatible, they are involved in some form of process, there are alternatives that are generated with the purpose of agreeing upon them.

(Refer Slide Time: 18:34)



Some elements of negotiations you could have context basic element of negotiation, context is what all kind of negotiations rest on, norms are regarding acceptable behavior of negotiator. What they can and cannot do, what they are allowed and not allowed to do,

how they are suppose to we had a discussion on norms in a previous lecture, issues why negotiations. Goals what is desired specific measurable outcomes are the goals what why are we negotiating, what lead to this need of negotiation are the issues, goals are what do we want at the end of it.

(Refer Slide Time: 19:20)



Next some key concepts in negotiation, the first one is the zone of possible alternatives I want you to be comfortable with these issues or with these concepts, before we move on to anything in the forth coming slides. Zone of possible alternatives is the area or range in which a deal that satisfies both parties can take place. So, it is the range of alternatives, it is the range of solution, it is the range of the solutions to a problem it is the zone of possible, we call zone of possible alternatives or zopa for short.

Value creation through trade is when a party has something they value less than the other party does. And so what happens is I have something; that means, more to you, you have something; that means, more to me and we sought of talk with each other, and we figure out what matters more to us. If I have something that is of more value to you I give it to you in exchange for something that you have that is not of as much value to you has it is to me and you give that to me. So, it is a symbiotic kind of interaction.

Reservation price is the walk away or the bottom line, batna is the best alternative to a negotiated agreement. It is batna is what will I do if this negotiations falls through, if I do not get what I want out of this you are not complying with me, we are not coming to an

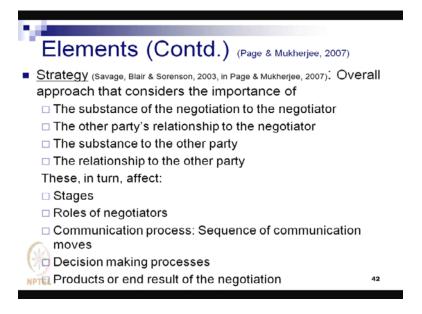
agreeable solution, we have tried to talk and things of not walked worked for us. So, what are the other alternatives I have, if I am not able to come to a workable solution with you, and that is the batna the range of batnas really determines, how well you negotiate and how confident you feel about your negotiation.

(Refer Slide Time: 21:26)

Elements of negotiation (Contd.) (Page & Mukherjee, 2007) Bargaining mix: How? (Explanation of negotiator priorities) Opening: Ideal outcome desired □ *Target*: Satisfactory outcome acceptable □ *Resistance point*: Reservation price – outcome acceptable but with discomfort □ BATNA: This is what I have if the neg. falls through 41

Some elements of negotiation, again we have bargaining mix which is another one how is you know we have bargaining mix is how will you negotiate or how do you negotiate it is the explanation of negotiator priorities. It could include opening, the target, resistance point, and batna this is what I have the negotiation falls through. So, opening is the ideal outcome desired, target is the satisfactory outcome acceptable, resistance point is the reservation price, and batna is what I have if the negotiation falls through.

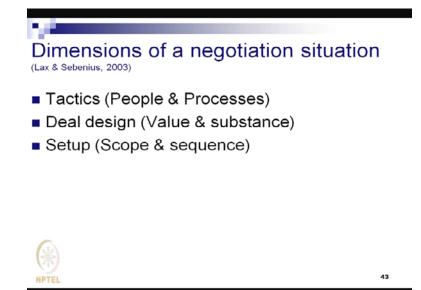
#### (Refer Slide Time: 22:10)



Some more elements, we have strategy which is the overall approach that considers the importance of the substance of the negotiation to the negotiator. The other party's relationship to the negotiator, the substance to the other party, the relationship to the other party all this is part of strategy. These in turn effect the stages and the roles of negotiators, these also effect the communication process or the sequence of communication moves. And these also effect the decision making processes, they also effect the product or end result of the negotiation.

So, what we are essentially trying to say is that we have all these different elements of the of negotiations, we have all these concepts in negotiation. And we have strategies, and we have bargaining mix, and we have process and negotiation is very, very specialized skill, and I can only give you a very brief description of whatever is a part of negotiation. I cannot describe everything to you it has been talked about by many, many people there are mathematical models to explain negotiations. There are all kinds of specialized, manners in which negotiations takes place and should take place, but we cannot really touch upon all of those here, all I can tell you is little bit about the communication side of negotiations and conflict management.

#### (Refer Slide Time: 23:40)



Dimensions of a negotiations situation, we have three dimensions primarily again this is based on the 3 D model, and that was proposed by lax and sebenius in 2003. It is the tactics which involves the peoples and processes, deal design is a value and substance setup is scope and sequence. So, when we talk about tactics we are essentially talking about the, what people do in a negotiation situation and a tactics are what people do in a negotiation situation, it deals with how people use processes to deal with negotiation situations.

Deal design is what they want or how they structure the value and substance in a negotiations situation, I am sorry about the noise in the background they have seen some problem outside. Set up is about scope and sequence, how you structure various negotiation activities, what comes first, what comes next, who say is what first or you know. So, how do you sought of deal with the sequence in which the negotiation activities takes place.

And where and when do you sort of meet the other party, how do you meet the other party, what do you say, how you say, how do you present your points of view, how do you assess their issues all of that constitute part of the set up.

#### (Refer Slide Time: 25:18)



Some stages of negotiation, you have preparation is the first stage, where you decide on the goal, you decide on what is important the relationship or the end result. You decide on the range of acceptable solutions or areas of compromise, you decide on the reservation price, you list your resources you know or find out the above for the opponent or the other party. And then you prepare yourself, and then you go into the negotiation situations.

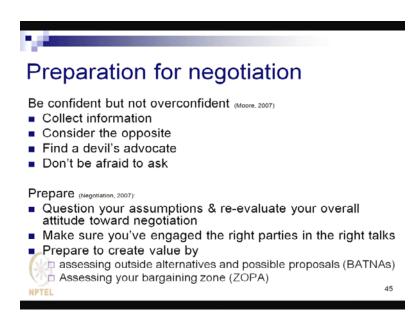
Then comes the discussion part, where with the other part you have discuss the other party regarding mutual interest and needs, and you find out more about what the other party wants at this stage. Proposal counterproposal is the real negotiation with offer and feedback, regarding acceptability and agreement and disagreement forms the basis for future negotiations, satisfaction and dissatisfaction with the process, result and inter party relationship this will intern lead to the preparation for future negotiations.

So, when we talk about proposal and counterproposal we are essentially talking about the feedback, we get from the other party in terms of you know what we say to them. We start the negotiation with something that we are well prepare to give, and then the other party also starts with what they are willing to compromise on and it may not match or needs.

And, so in an through feedback, in an through communication, in an through conversations, we decide, we discuss, we figure out, what we can afford to let go off, and

where we draw the line and walk away from the negotiation and that is ready the proposal counterproposal part of this. Agreement disagreement one party both parties could be satisfied that is the ideal situation, one party could be more satisfied than the other party or one party could be completely dissatisfied than the other party has their own way. And that will intern determine how satisfied, both parties are with the negotiation situation, and how they deal with the negotiation situation in future with the same party, any kind of negotiation situations.

(Refer Slide Time: 27:36)



How do we prepare for negotiations be confident, but not overconfident, so collect the information consider the opposite, find a devil's advocate and do not be afraid to ask this from paper by more published in 2007. I will give you the reference to it in the list of references, you collect the information know what you know, if you do not know something just do not be over confidence. You will never be able to find all the information there is to find out.

And in that case, know what you know and we prepare to for some surprises also consider that the other party, may really have a general reason for saying, and doing what they are saying in doing. And in that case they may not necessarily be wrong and so you know you have to consider that also, and do not be afraid to ask and find a person who can help you see the other parties position in a very positive light. And that can help you strength on your own position. Prepare question your assumption and re-evaluate your over all attitude towards negotiation. Again prepare well, what are you assuming, why are you assuming, what you are assuming figure out your over all attitudes towards negotiations, towards this negotiation do you really go want to go into it and are you really going to be comfortable with it. Make sure you will engaged the parties in the right talks right talks, find the people who are really open to negotiating.

And prepare to create a value by assessing outside alternatives, and possible proposals and by assessing your zopas, you know increase your zopas, increase your butanes and you will be, increase your zone of possible alternatives do not be two flexible. But, again have a wider range as wide a range of possible or alternatives as possible, and as wide a range of the alternatives to a negotiated agreement will feel stronger if that is the case.

(Refer Slide Time: 29:47)



Some rules of principle negotiation this is about the actual negotiation process, once you ask once you started negotiating, separate the people from the problem. Believes that people are decent, people are reasonable be flexible, believe that you all have legitimate interest. People do not coming to a situation, with a negative there own usually coming to a situation with an intension to hurt somebody else. So, believe in the niceness of human nature, believe that people are asking for something.

Because, they legitimately want to have something not because they want to hurt you and you know that puts in your different plat form. And you say yes I wanted to legitimate reason, I am not trying to hurt you, you are not trying to hurt me we have other reason for coming to this situation. We have other reason disagreeing, and then move from that point and it is not I may dislike you, but the problem is a problem, and that has nothing to do with what I think of you.

Understand the people emphasize, but do not project your fears, biases etcetera listen actively and be sensitive to feedback. Again put yourself in the other person shows, but do not project your fears, do not let them we are part of your discussions, you may be sacred of some situation, you may not be want to take risk. But, again if the situation demands, we prepare to take some risk, be prepare to be flexible, be prepared to accept other person point of view.

And empathize, and put yourself in the other persons shoes, but do not let them walk all over you, listen actively and be sensitive to feedback. So, and that will help you why because that will help you come up with the better counter proposal to whatever they are saying, and link of whatever saying with your own needs and goals.

(Refer Slide Time: 31:40)



State the problem in terms of interest, in appropriate measure, at the appropriate time, in as much a factual manner as possible. Again state the problem in a manner that as factual as proper, as possible stated at a time, when it should be stated and limit the scope or define the scope a appropriately, you know this is the problem it is not bigger than it is not smaller than this.

List your options prefer growing the pie to splitting it, again at the pie bigger everybody gets to have a larger piece of it, brainstorm for option and turn options into approvable proposals, everybody should want to agreed whatever is being proposed.

(Refer Slide Time: 32:30)



Factors affecting negotiations, what kind of affect the come out negotiations they could be legal pressure, you may be governed by lot negotiate. And not really or rules of the organization that you are in may mandate that you negotiate, and come to a workable solution. They could be investment criteria, again the size of investment what the material gains that people are expecting from that negotiation situation could be a factor in determining, how negotiations takes place the common goal could be a factor.

So, that is very, very essential you know what the common goal is the size of the common goal the states that are that people have in the common goal. Behavior of negotiators is another one, where the strategic behavioral mimicry and adaptation is a factor. Again it is not about aping the other person, it is also about adapting the other person style of negotiation, culture and training of negotiators is another one that form the bases, as we talked about in the previous slide actually I have them here.

So, I am going to take you back to this slide in conflicts, we talked about antecedent conditions. ((Refer Time: 34:03)) And so we are essentially talking about the bag round of the conflict situation and we are talking about negotiation as a means of resolving conflict, and then and that is what I am referring to over here. So, you know the culture

and training of negotiators what the background is how trained, how well trained they are to deal with this conflict situation.

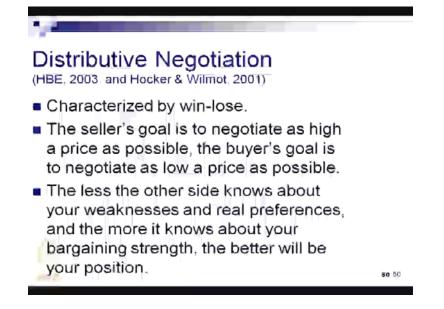
Maturity of a problem again, similar thing that are you know things that impact the come out of a conflict are also things that impact the outcome of any negotiations situations. How hold the problem is how rigid the problem, the negotiators are they how long have they been acted, what is the size of the problem all of that staff, and the persistent of negotiators the unwillingness to withdraws to the satisfactory resolution of the issue that is another issue in or another factor that affects the outcome of any negotiations.

(Refer Slide Time: 35:05)



Two main types of negotiations, you have competitive or distributive negotiation, where one wins the other losses, we have collaborative or integrative negotiation. Where both lose a little and win a little overall a win-win situation, we were talking about the different approaches to concept resolution you have win lose win-win, similar I mean when I mean these things are parallel, they are overlapping to quite an extend.

(Refer Slide Time: 35:31)

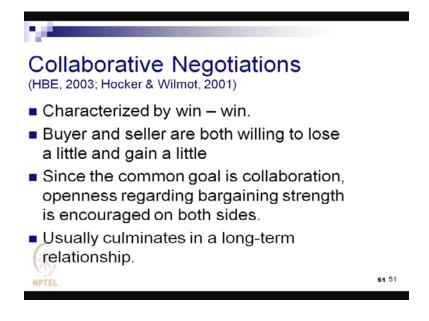


So, in distributive negotiation HBE transfer business essential, it is a booklet that I refer to and I got this information from there for you. It is characterized by win lose, the sellers goal is to negotiate as a higher price as possible, the buyer is goal is to negotiate as lower a price as possible. The less the other side knows about your weaknesses, and real preferences and the more it knows about your bargaining strength the better will be your position.

So, you are trying to negotiate a situation or you are trying to figure out a situation, where you get maximum out of minimum input. And that is pretty much a part of and that is pretty much what we distributive negotiations is all about, it is characterize by win lose one party win the other party losses, the party that wins is the sellers goal is to negotiate. Whatever the maximum he can get out in the situation, and buyer wants to invest the minimum.

The less the other side knows about your weaknesses and dual preferences, and the more it knows about your bargaining strength the better will be your position. You make it known to the other side that you have wide range of butanas, you make it known to the other party that you know this is important, but it is not everything. The lesser the known about where you stand, the more then know about or the more they know about your confidence in the bargaining the better it is for you.

## (Refer Slide Time: 37:11)



Collaborative negotiations as oppose to distributive negotiations or comparative negotiations are characterized by win-win, both parties are willing to lose a little and gain a little, you change the pi this is what this is all about. In a win lose situation the pi is standard, it is fixed, the size is pretty standard, the shape is pretty standard in win-win situation people are more flexible. There is scope to change the shape and size of the pi metaphorically speaking in more clear terms, what we are saying is that the goal is negotiable.

What the goal is you know the quality, the quantity of what you can get out of this situation is negotiable. And so you change that you change your perceptions about what you will be satisfied with, and that will lead to an increase in the size, and change in the shape of the pi and both can win more than the excepted to. Since the common goal is collaboration, openness regarding bargaining strength is encouraged on both sides.

Now, because you want to collaborate it is always people are always encourage to lay their strength and resources, and limitations out on the table as far as possible, again you cannot disclose everything to the other party. But, whatever you can without getting hurt should be put on the table, and it is encourage then usually culminates in a long term relationship. Distributive negotiation, what happens is that since one party wins and the other loses there is discomfort, and that usually sort of ends after the negation situations over, but in a collaborative negotiation it usually ends in a more long term relationship.

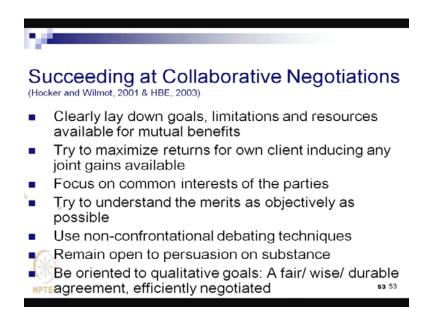
### (Refer Slide Time: 39:03)



How you succeed at distributive negotiations, now I am getting to prescriptive, we are talking about not prescribing. In this lecture I am going to prescribe a few things, again I would like you to take this ideas and sort of you know go back and think back more about then but how do you succeed at distributive negotiations. The first offer principle you start right, do not disclose your option just make it clear that you have some options.

Zero in on the other parties deal makers and deal breakers, again this is HBE this is sorry about this what I should really do is put the here, here I am sorry I should have put it. So, you it is from our business sensual published in 2003, zero in on the other party deal makers and deal breakers, make sure that you know what they will compromise on, what they will agree to and what they will not agree to use the above information to make your first offer. Do not overshoot, do not give them an option that is going to be solar that they want to agreed to it.

## (Refer Slide Time: 40:56)



Again some corrections here I apologized they should have been done before the class began. Some more tips about know tips about succeeding at collaborative relationships, collaborative negations, clearly lay down the goals limitations and resources available from mutual benefits. And what you want try to maximize returns for your own client inducing any joint gains available.

Focus on common interest of the parties and try to understand the merits, use non confrontational techniques and remain open to persuasion on substances. And be orientated to qualitative goals, you know you want to negotiate as fair an agreement as possible, you want as durable a relationship possible. So, just lay things down and focus on the problem, focus on building more value from the situation and you should be.



Some tactics that people engage in as per as negotiations concerned, we have traditional competitive bargaining, where you hide your bottom line make an inflated opening offer. And not disclose your walk away alternative and sort of slowly come down, another tactic the people are engage in is emotional manipulation you fame feeling such as anger fear disappointment elation or satisfaction, and you say oh my god you are hurting me, so much.

Bargaining is what we do, we start with a very high offer and then slowly come down, it is way beyond what we aspect will slowly come down. Emotionally appeal to the persons emotions, make them feel guilty make them feel sad not right, but again you know you decide what works for you in which situations. Misrepresentation is another one where people distort the information or events in the negotiation to others.

And there sort of usually exaggeration is a form of misrepresentation, they will present the problem as much bigger than it really is to get maximum sympathy, maximum benefit out of the situation. Misrepresenting to your opponents network is another one the people do, you tell your opponent that they are good people or they are sort of doing what they excepted to do. And that is what people normally, you know that is something that people tend to engage an, you share your bargaining position more with the opponents network. Inappropriate information gathering you use bribery and infiltration and spying, again by definition this is unethical what people do it. Bluffing you make threats and promises that you do not intends to carry out or telling your opponents that only you can full fill his or her needs. So, you say I am the only one who can I help you, do not you know this you have no other alternatives, but me for this particular benefit, and people tend to believe you and that is not really right. But, these are some of the tactics people engage in again what is right, what is wrong you decide.

(Refer Slide Time: 43:52)

# Culture and negotiations

- Culture could help increase the size of the pie (Friedman & Antal, 2005): Diversity could enhance the range of choices for negotiations
- Culture could lead to misunderstandings due to difficulties with appropriate interpretation



Culture and negotiations, culture could help increase the size of the pie we build on the differences in diversity, we build on the different positions of strength, we bring to the diverse situation. And we try increase the size of the pie by tapping into individual unique rich resources on both sides, culture could also leads to misunderstandings to due to difficulties with appropriate interpretation as we just discussed earlier.



Some cultural variations in conducting business, we could have a negotiation in a negotiation atmosphere the atmosphere is culturally determined, where when and how of negotiation are culturally determined. And that is control by culture, and that can impact the antecedent condition for the conflict, and that can impact the antecedent conditions for the negotiation situation it can sorry negotiation situation it is a sort of tongue twisted here.

It can impact what we think we know about the other party situation, detail is another one depth verses breadth, culturally determined how why did you want to spread, yourself how deep do you want to go with influences goals and interest of both the parties. Communications styles is another one, the goals verses public image what you want to appeal to will be influenced by culture, you know whether you want to focus on the goals other relationship.

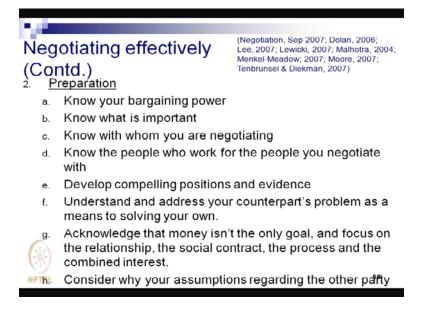
Selection of negotiators do you want to select negotiators, based on their status verses their expertise or individual skills, you know you want to select a senior person. Because, you are she is senior or and do you want to sort of maintain their public image or you want to select more juniors person, whose more trained in negotiating in that particular field. Decision making again problem solving, you could compartmentalize or contextualize you could solve many issues in relation to. Contextualization is solving the issues in relation to each other, in relation to the context compartmentalization, solving one issue at a time and then looking for relations between them and resolving those relations one at a time. So, how do you make your decisions organizational structure is again determined culturally the time is spent on pre negotiations, actual negotiation, and implementation of negotiated decisions.

(Refer Slide Time: 46:23)

Negotiating effectively (Negotiation, Sep 2007; Dolan, 2006; Lee, 2007; Lewicki, 2007; Malhotra, 2004; Menkel-Meadow; 2007; Moore, 2007; 1. Intra and interpersonal aspects: Tenbrunsel & Diekman, 2007)		
a. Use effective body language		
	Use ambiguous non-verbal signals (body language that can be perceived to be negative) e.g.	
	n. Hand over the mouth	
	Scratching nose	
	iv. Failure to make eye contact	(Dominick, 2006)
b.	Use your voice persuasively	
C.	Build your credibility	
d.	Develop rapport	
e.	Listen creatively	
<b>f</b> .	Persuade with logic and reason	
HPTG)	Win with emotion	<b>57</b> 57

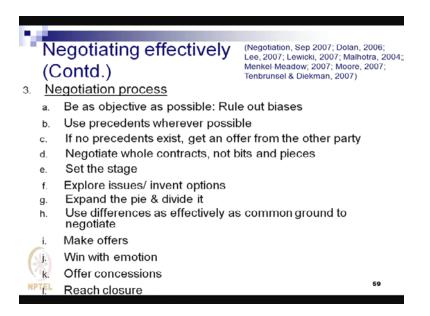
Negotiating effectively you could use effective body language, use in the intra and interpersonal aspects. Use effective body language, use of non ambiguous, non verbal signals, hand over mouth is another one that can have a negative effect, one people they can people can think that you are trying to evade them. You scratch your nose you fail to make eye contact and people think that you are sort of trying to evade something. You should use your voice you should use your voice persuasively I am sorry, build your credibility, develop your rapport, listen creatively, and persuade with logic reason, and win over other people with emotion.

(Refer Slide Time: 47:22)



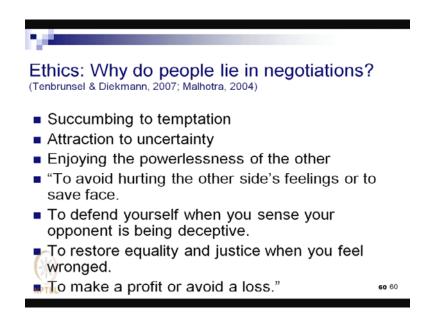
As far as preparation is concerned no things about the other side know your bargaining power, know what is important, know with whom you are negotiating, know the people who work for the people you negotiate with, develop compelling positions. Then evidence. Understand and address your counterparts problem as a means to solving your own acknowledge that money is not the only goal and focus on the relationship. The social contract the possession, the sorry the process and the combine interest and consider why your assumptions regarding the other party are right.

(Refer Slide Time: 47:50)



Negotiation process, be as objectives as possible, rule out your biases, use precedents wherever possible, if no precedent exits, get an offer from the other party. Negotiate whole contracts, set the stage explore issues, expand the pie and divide it, increase the size of the pie and divide it of an everybody will be happy use differences as effectively as possible. Make offers when with emotions and reach a conclusion for haven sake, end the discussion reach a conclusion and move on.

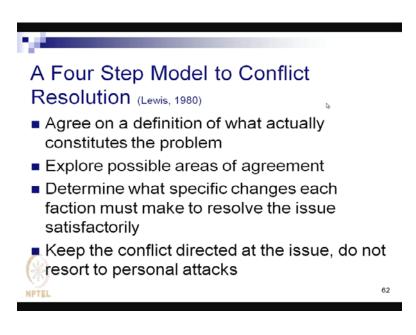
(Refer Slide Time: 48:23)



Why do people lie in negotiations, people may tend to lie negotiations because they succumb to temptation, they may be attracted to the uncertainty. They may be attracted to whatever is to come, they enjoy the powerlessness of the others, they may lie to avoid hurting the other person feelings or to save face, their own face or another person's face or to defend themselves. When they feel they are being somehow attack and manner or when the other person, they feel the other person being the deceptive.

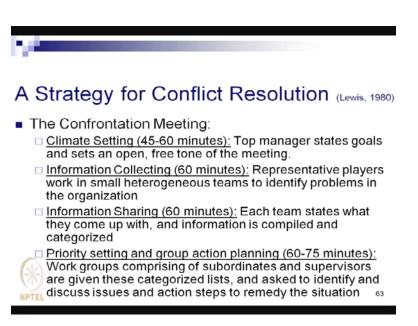
They may lie to restoric equality and justice when they feel they been wrong or they may lie to make a profit to avoid a loss. So, it is not a very good idea, but these are some of the reason by people lie, when you disclose information in a negotiation situations. Discloser is the good idea when the information is required by law, when information is in the public domain, when the information that could inspire reciprocation you do have some information that could inspire reciprocation. When the information could be potentially damaging facts and needs and that point it is a good idea to disclose the information, when is discloser not a good idea, when you have sensitive or privileged information. When you have information that is not yours to share, when you have information that diminishes your power or when you have information that may fluctuate for example, the stop prices and stuff like that.

(Refer Slide Time: 49:55)



Four step model to conflict resolution.

(Refer Slide Time: 49:58)



Again we do not have time for this I will give you a strategy for conflict resolution that has been proposed by Lewis. It is a confrontation meeting, again many organizations do this, if the conflict reaches a part negotiations falls through conflict, so big it cannot be resolved it is organization wide, what do you do. One way that this can be handle this thus the confrontation meeting, where you have a climate setting session to start with, the top managers states the goals and sets an open free tone of the meeting.

Then you collect the information's for the next 60 minutes, we representative players work in small heterogeneous teams. You make teams from different parts of the organization, get them together and they discuss, and they tell you what they are bothered about or what they are they are facing problems. Then you share the information, information sharing is the next step, each team shares what they come up with and the information is compiled and categorized, and then you set priorities and plan group action.

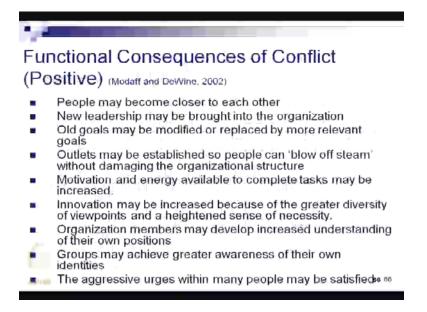
So, you work in groups consisting of subordinates and supervisors, and you give them characterized list, and you say what you think should be the solution to this. ((Refer Time: 51:17)) And then that action planning takes place, then you probably take a lunch break, and come back after a nice fancy lunch in a fancy place. And then the top team gets together and says these are the solutions that have been proposed by our team, this is what we can and should do about it.

And then you communicate these decisions to people who are going to be working on them, and then you have a progress review after 4 to 6 weeks. So, you say be communicated our decisions, now what have you thought about it and that is one way of resolving conflict. Again this is a topic that is wide enough for a separate course on it is I am just giving you some bits and pieces here and there, so please takes this leads and look put thinks yourself. (Refer Slide Time: 51:59)



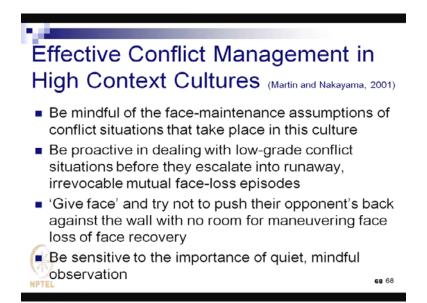
Some consequences of conflict, we could have positive consequences of conflict, we could have negative consequences of conflict. Functional conflict problems are addressed, opportunities for creativity, growth, and improvement in performance come up. In dysfunctional or destructive conflict, it results in a break in the relationship, diverts energy is people get hurts creates a negative environment not very good.

(Refer Slide Time: 52:26)



Again the positive consequences of conflict could be people become closer to each other, new leadership could be brought in, old goals may be modified. Outlets may be established, motivation and energy Ais increase, innovation can be increased people may developed increased understanding people get the chance to express them self, they bond with each other they start working better because teams out. So, these are some of the positive consequences. The negative consequences are people get emotionally disturbed resources are wasted, goals can be destroyed the organization can fall apart and stuff like that.

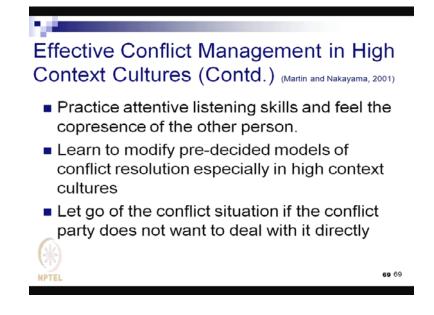
(Refer Slide Time: 53:15)



Now, how do you manage conflict in high context culture is very, very important, some strategies be mindful of the face maintenance assumptions of conflict situations that takes place in a high context culture. The most important thing here is to maintain relationships, and that is something you should really focus on, be proactive in dealing with low grade conflict situations before they escalate into runaway, irrecoverable mutual face loss episodes.

So, you know deal with the conflict when it is just coming up and you should be, save you are the other person space that is pretty much what the focus is on here. And be sensitive to feedback in observation, and be settled about things we discussed high, and low context cultures is too much I am not going to into it.

#### (Refer Slide Time: 53:59)



Practice attentive listening skills, learn to modify pre decided models of conflict resolution. And let go of the conflict situation of the other party does not want to attack it directly, ((Refer Time: 54:13)) what did do in low context culture, again separate the relationship from the problem. Focus on resolving the substantive issues, be free and open while expressing opinions, engage in an assertive leveling style of conflict behavior, and own individual responsibility for the decision making process.

Compartmentalize focus on the problem not the person and you should be ((Refer Time: 54:40)) provide verbal feedback again we talked about how people view conflicts. So, in light of the table on how you view conflicts, let us go back to how people view conflicts in a high verses, low context, culture this is what we were talking about in the previous lecture. Even light of this table just figure out what the best strategies would be you need to save face, you need to approach things in a manner that issues are compartmentalized.

And keeping all those this things and you focus on the goal and you should be, so use direct non verbal messages, integrative verbal messages, not too many non verbal messages be clear do not be ambiguous. Clearly Conway your concern, over the goal and tell the people that relational issues are separate substantive issues are separate and you need to deal with these things separately. Commit to working out the conflict situation with the conflict party.

And deal with the conflicting parties, tell them that you your main goal is to resolve the conflict, your main goal is to attack to conflict, and iron out all the issues in the conflict. And your goal is not to attack the other person self image, but to work through the issues, now these things will have an implication for you, especially if you are in an intercultural international business situation, and that is why we are discussing these.

So, please revise this I have to brief through this, we were running out of time there was noise in the background, but anywhere you can take care of these. What I would like you to revise for the next class is again, the point here should be discussion and this is what I do not like it when the computer things on it shown. So, please discuss what is negotiations, what is the connection between compliance, persuasion and negotiation, and what are the differences between integrative and distributive negotiation.

And how may the difference listed above be manifested and dealt with in different culture, you get it you discussed this and you got it all. And this is pretty much what I wanted to tell you about, negotiation and conflict management we will move on to the other topics later.

But, please believe me when I say that this is not really the end, this just the beginning of negotiations and conflict management I given you very, very small leading points, and please take this points and sort of move on and learn more on your own I wish I to cover everything, but I cannot in such a short amount of time. So, wish you all the best.

Thank you.