

**Technology Negotiations and Dispute
Resolution Systems
ESD.141 – Session 2**

**Strategic
Negotiations**

Joel Cutcher-Gershenfeld

Strategic negotiations

- The Essence of Strategy:
 - *Making wise choices now by thinking more than one step ahead*
 - *Assuming others are also making their own, independent strategic choices*
- The Essence of Negotiations:
 - *A process of dialogue, interaction and agreement*
 - *Assuming multiple stakeholders with both common and competing interests*

Strategic negotiations



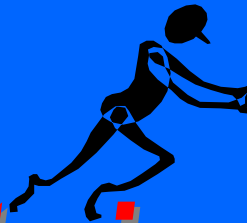
Escape



What are examples of forcing, fostering and escape that you have seen in organizations?

How are they related to each other?

Bargaining strategies



Forcing:

Restrained or Unrestrained



Fostering:

Robust or Superficial

Escape 

The easier path to failure or the harder path to success

Avoid triggering downward, deteriorating cycles

Unrestrained Forcing

Surprise

Anger

Counter forcing

A “winner” – Imposed agreement

Paybacks

Downward cycle of mutual mistrust

Superficial Fostering

Avoidance

Surface courtesy

Superficial agreement

Unexpected events

Entire relationship doubted

Downward cycle of mutual distrust

Openness to future fostering

Realistic Agreements

Exploration of options

Respect for interests and power

Sense of urgency

Realistic constituent expectations

Restrained Forcing

Anticipate future forcing

Robust Agreements

Ask tough “What if?” and “What about?” questions

Exploration of options

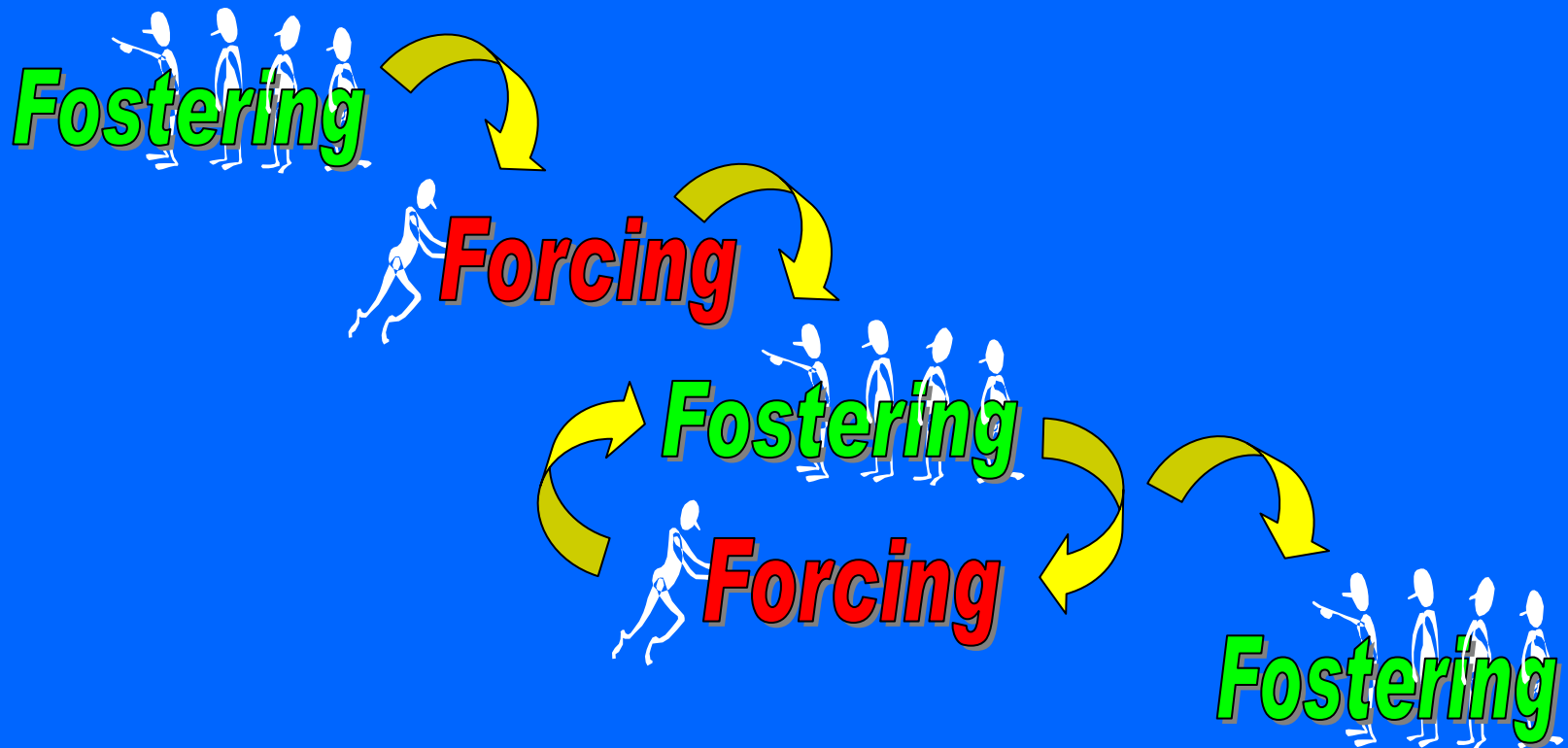
Sense of urgency

Constituent support for problem-solving

Robust Fostering

Enable Upward, Self-Reinforcing Cycles

Sequencing Forcing and Fostering Strategies



What happens when forcing comes first?
What happens when fostering comes first?
What happens when both are going on at the same time?

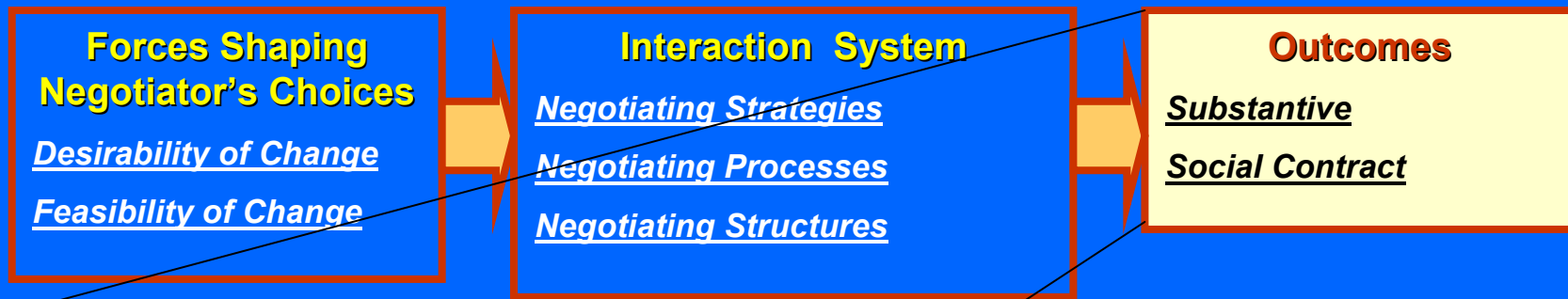
Strategic Negotiations: A Mental Model or Framework to Guide Strategic Thinking About Negotiations



Note: Among the following slides are strategic questions associated with each aspect of the theory. There are not “right” or “wrong” answers to these questions. Instead, they are designed to prompt strategic thinking about the negotiations.

Source: Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, Strategic Negotiations: A Theory of Change in Labor-Management Relations (Harvard Business School Press, 1994)

Strategic Negotiations: A Theory of Change in Labor-Management Relations – Begin with Outcomes



Strategic Questions About Outcomes

Substantive

Do you or others have ambitious objectives for this negotiations – involving substantial restructuring of wages and benefits, work rules, language on employment security, etc.?

Social Contract

What relationship or social contract is desired by you and others around the daily, front-line interactions between management and workforce – will it be primarily a “Compliance Relationship” or a “High Commitment Relationship”?

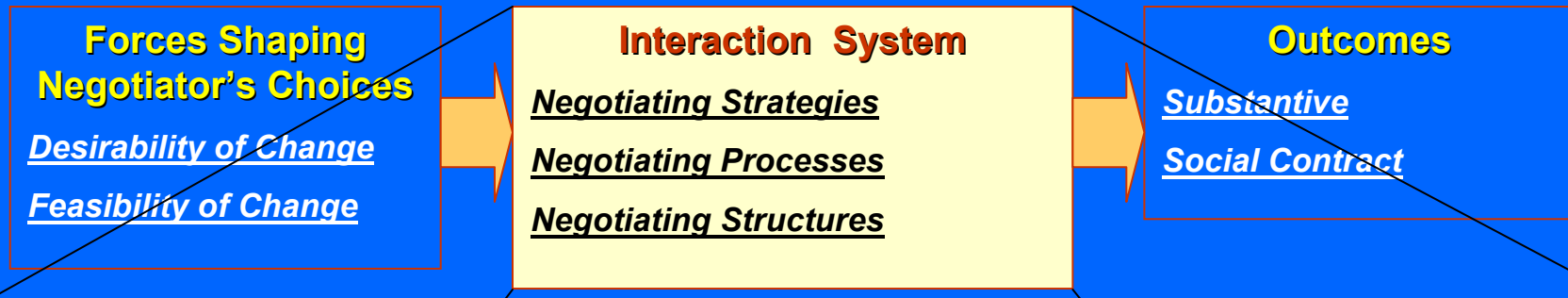
What relationship or social contract is desired by you and others around the institutional interactions between management and union – will it be primarily a “Containment Relationship,” an “Arm’s Length/Maintenance Relationship,” or a “Strategic Partnership”?

Source: Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, *Strategic Negotiations: A Theory of Change in Labor-Management Relations* (Harvard Business School Press, 1994)

Strategic Negotiations: Social Contract Outcomes

<i>Union-Management Institutional Relationship</i>	Containment or Constriction	Arm's Length, Maintenance	Strategic Partnership
<i>Front-Line Workforce Relationship</i>			
Compliance	Unstable: Tension at All Levels	Stable: Constrained, Incremental Progress Only	Unstable: Disconnect in Daily Work Experience
Commitment	Unstable: Union Battle for Survival	Unstable: Perceived Wedge Between Union and Its Members	Stable: A Foundation for Innovation and Growth

Strategic Negotiations: A Theory of Change in Labor-Management Relations – Move to Interactions



Strategic Questions About the Interaction System

Negotiating Strategies

What aspects of this negotiation will require you or others to utilize a forcing strategy?
What aspects of this negotiations will lend themselves to a fostering strategy?
Is escape an option for any parties? Are they likely to exercise this option?

Negotiating Processes

How will you and others balance distributive (hard bargaining) and integrative (problem-solving) tactics?
How will you and others try to shape attitudes during this negotiations?
How will you and others manage internal differences during this negotiations?

Negotiating Structures

How many parties or stakeholders are there? Which ones will be "at the table?" How often will interactions take place? How many levels of interaction are involved? How centralized or decentralized will this negotiations be?

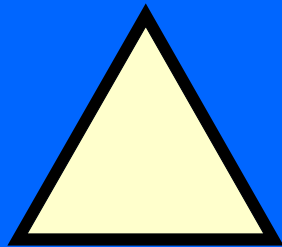
Source: Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, *Strategic Negotiations: A Theory of Change in Labor-Management Relations* (Harvard Business School Press, 1994)

Strategic Negotiations

Strategic Negotiations: Linking Strategy with Process

HARD FORCING

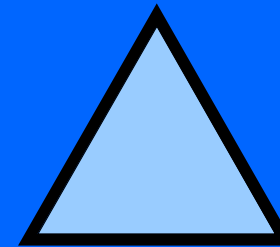
Fear, control and



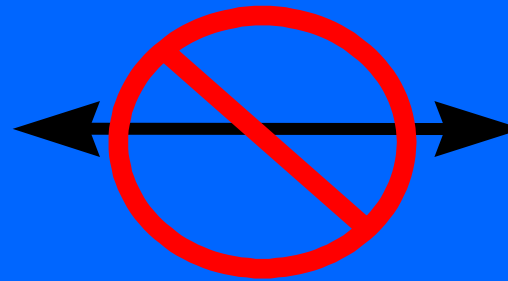
Distributive + Divide and
bargaining conquer

SUPERFICIAL FOSTERING

Trust

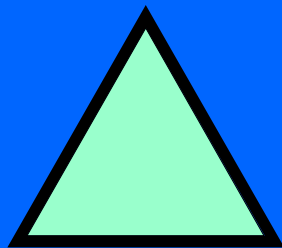


Integrative + Internal
bargaining Consensus



RESTRAINED FORCING

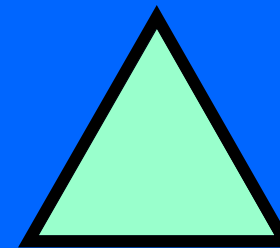
Advance notice/input



Distributive + Internal
bargaining education

ROBUST FOSTERING

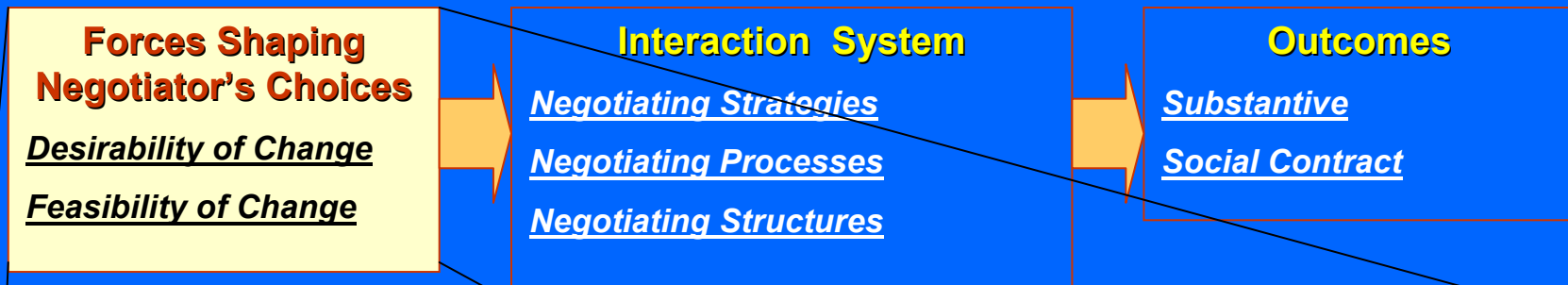
Anticipating Conflict



Integrative + Value internal
bargaining diversity



Strategic Negotiations: A Theory of Change in Labor-Management Relations – Key Considerations



Strategic Questions About the Forces Shaping Negotiator's Choices

Desirability of Change

What are the most desirable and the least desirable substantive objectives for you and others?

What are the most desirable and the least desirable social contract objectives for you and others?

Feasibility of Change

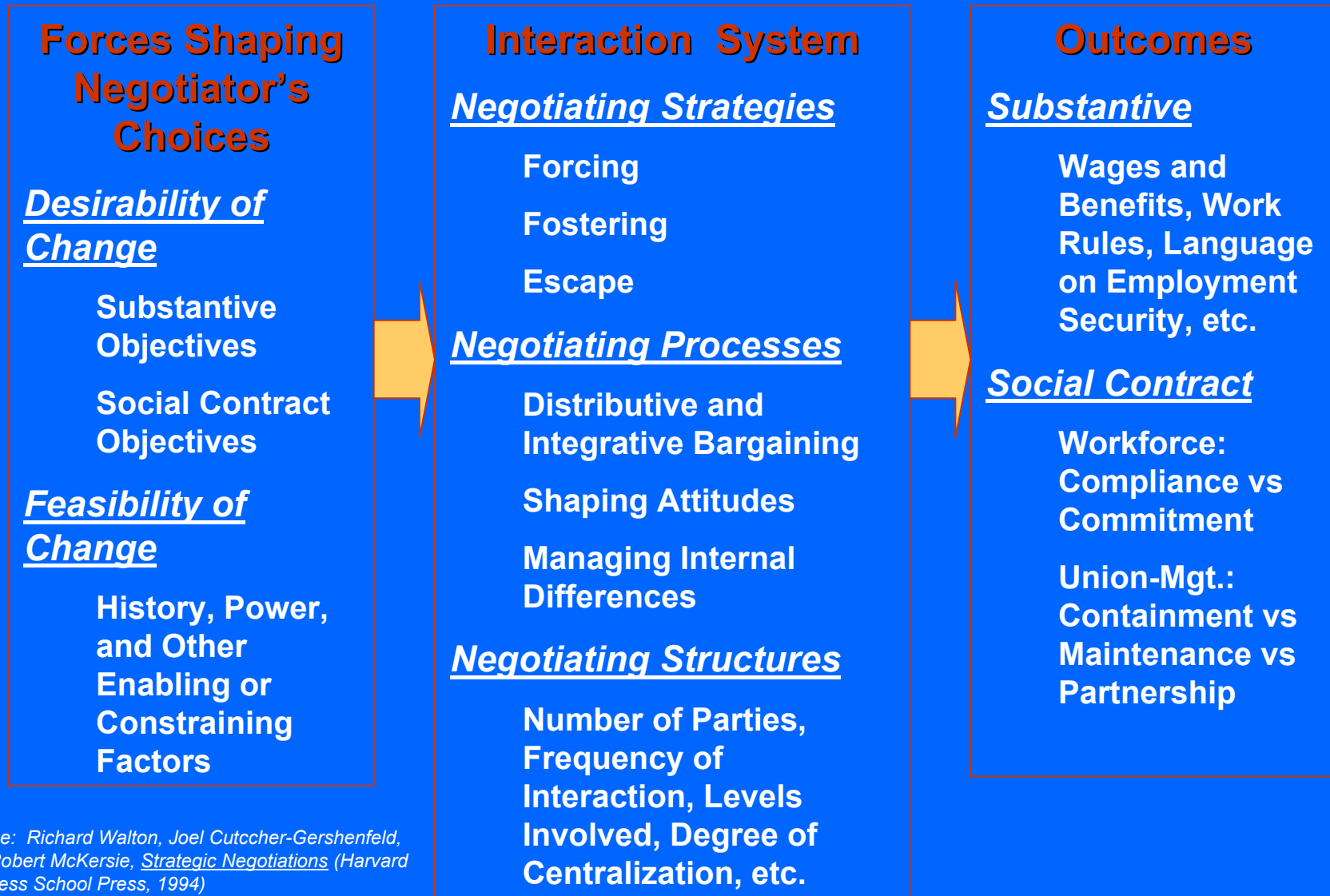
Given past history, current power relations, economic situation, demographics, and other contextual factors, what substantive objectives are feasible?

Given past history, current power relations, economic situation, demographics, and other contextual factors, what social contract objectives are feasible?

Source: Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, *Strategic Negotiations: A Theory of Change in Labor-Management Relations* (Harvard Business School Press, 1994)

Strategic Negotiations

Strategic Negotiations: A Theory of Change in Labor-Management Relations – Putting it All Together



Source: Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, *Strategic Negotiations* (Harvard Business School Press, 1994)