CHAPTER EXAMPLE

Solomon is a School of Health administrator tasked with developing a new master’s program in health administration. This is a year-long multiparty negotiation that is complex because Solomon wants to design the program so that courses are offered over 10 weeks instead of the traditional 14 weeks. The shortened time period allows the program to be more competitive because students would earn a master’s degree sooner than they would otherwise. Solomon and his staff have already done the market analysis and know that this 10-week structure is the only way to make the program thrive. The task now is to get the rest of the university on board. Solomon and his team have engaged the following university departments in order to negotiate: provost’s office, registrar’s office, billing, veterans administration, institutional reporting and compliance, and financial aid.

There are a few factors that make this negotiation particularly challenging. First is that each of the parties at the table in this negotiation has different interests. The registrar’s office, for example, wants the new master’s program to fit within the university master schedule so that classrooms can be assigned efficiently and effectively. The billing office would like the tuition schedule set to the same rates as other master’s programs to ease the logistics surrounding student payments. Veterans administration would like to see the program not have significant gaps in course scheduling so that students can maximize VA benefits while in the program. Institutional reporting and compliance would like the terms to be structured in such a way to make compliance documentation more straightforward. The provost’s office wants to see the new program launched as quickly as possible.
Over the course of a year Solomon and his staff have many conversations with each of the departments and are able to design a program satisfying every party at the table except one. The department head of financial aid, Elizabeth, has not yet agreed to support this new program. Here is a typical exchange between Solomon and Elizabeth:

Solomon: I think we are all on board with a 10-week program schedule beginning in August.
Elizabeth: I can’t support that schedule.
Solomon: Why not?
Elizabeth: The federal rules for funding.
Solomon: Can you help us understand the rules?
Elizabeth: It’s way too complicated. There is just no way for students to get federal assistance in a program with this type of schedule.

Every time Solomon asks about a unique solution or a different possibility, the answer from Elizabeth is no. Every time Solomon inquires about the specific rules prohibiting program offerings, Elizabeth answers in vague terms and repeats how difficult and complicated the rules are to understand. At one point Solomon asks Elizabeth what it would take to get her to say yes. She responds that the program needs to be structured like existing programs on a 14-week schedule, a solution that Solomon cannot support given that it would make the new master’s program non-competitive in the market.

Finally after a year of disagreement, Solomon is at a loss. He has tried every negotiation tactic he can think of and nothing has worked. Without an agreement from financial aid, his new program will be dead. In a last gasp effort, he decides to download and read the Federal Student Aid Handbook, a 1,321-page downloadable PDF from the Department of Education website. By searching through relevant sections, Solomon learns that 10-week programs can be funded in certain circumstances. He discerns from this research that it isn’t that Elizabeth can’t fund the new program; for some reason she doesn’t want to. He sends the following e-mail to Elizabeth:

Elizabeth,

I’m trying to help you all find an answer to the problem we’ve given you. I’ve been reading the federal guidelines and have a naïve question for you.

What type of funding model does our university use? It looks like there is some discussion in the federal guidelines about students attending...
shorter-term classes in abbreviated semesters, which seems to be what we are talking about with our new master’s program. It seems as if there are funding possibilities here.

Thanks, as always, for your help on this.

Best,

Solomon

Elizabeth responds early the next morning.

Solomon,

I am really sorry that you felt the need to take your personal time researching the federal guidelines as we are actually very familiar with these regulations. The answer to your question is that our university is on a Type III funding model and we are unable to support anything else due to the staff size and time and the lack of necessary resources. Please call me so that we can discuss.

Elizabeth

At this point Solomon finally knows what the problem has been all along. Elizabeth believes that she is facing a staff shortage. Instead of being open about this shortage, Elizabeth has used the federal guidelines to deflect the inquiry. Had she been open about the staff time allocation from the beginning of the negotiation, her skills as a manager might’ve been called into question. Solomon knows she is a relatively new manager, and this might be an uncomfortable topic for Elizabeth. He also now can guess why she is so defensive, as any discussion of how her department is run might be seen as threatening.

Solomon calls Elizabeth and begins the conversation with the following question: “I had no idea you were facing a staff shortage. How are you able to manage over there?” Elizabeth tells how she is trying to support new programs and initiatives but has been stonewalled by the administration from hiring more staff. Solomon just listens and gives her the occasional “Sure” or “That has to be hard.” He can tell during her story that she is near tears, that this managerial role is really taking its toll on her.

When she has finished telling her story and Solomon has asked a few follow-up questions, he finally offers her staff time from his department. He tells her that she can use the staff however she would like. Elizabeth reciprocates by telling Solomon that with this extra support she will find a way to support the new program. The program begins the following fall and is a huge success.

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INTRODUCTION TO INTANGIBLE INTERESTS

One of the mistakes we reviewed in Chapter 1 is that negotiators can become overly self-interested. Underlying this mistake is the incorrect belief that all negotiators care about are outcomes. In one fascinating research study, Curhan, Elfenbein, and Xu categorized everything that negotiators value when they negotiate. Yes, negotiators value outcomes, but negotiators also value feelings about the self, feelings about the negotiation process, and feelings about the relationship. This is supported by research showing that making more money does not necessarily make you feel more accomplished or satisfied. The reality is that negotiators care just as much if not more about intangible interests such as one’s ego and relationships than they do about tangible outcomes such as money or goods.

In this chapter we will demonstrate that there are tactics that affect individuals based not on tangible interests (e.g., jobs, positions, money) but on intangible interests. Intangible interests are interests, in that they represent what people want. But they are intangible in the sense that they cannot be held or touched or traded as easily. Respect, saving face, feeling valued, being listened to, having a say in the final decision: These all represent possible intangible interests (see Table 5.1). We use the concept of identity to help you think about intangible interests because identity guides you to understand what, of all of the possible intangibles, actually might be at play. This will help you as a negotiator understand the intangible interests of the other side so that you may be able to give intangible value in order to get what you want.

<table>
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The “Self” and Identity

We have talked at length in this textbook about the interests of the parties in a negotiation, and we mentioned in Chapter 2 that interests can be both tangible and intangible. Tangible interests, such as financial security, manifest themselves in positions
that can easily be traded in negotiation, such as money. Intangible interests, such as recognition, loyalty, and respect, cannot as easily be traded. This is because intangible interests are often fulfilled through the discourse of the negotiation itself and not necessarily in the outcome of the negotiation. Consider a wife who is in a negotiation with her husband over what size television to buy for the family room. Whereas the husband's interest might be hosting great football parties for his friends, the wife's interest might be that she is simply included in the decision-making process. If the husband assumes that his wife wants to spend less and wants a smaller TV, then he will try to satisfy the wrong interests and may end up with a smaller TV than he wants! He has ignored her intangible interests.

Underlying intangible interests can come from how one defines oneself; this is one’s identity. Identities help provide a sense of self-worth. People have an underlying need to feel that they belong in the world, and identity is one way in which those feelings are built and maintained. It feels better to be a part of a group, a club, a family, a profession, a demographic, because belonging helps you to know your place. When you have a developed identity, it allows you to be happier, to try out new things, and to feel comfortable in the world.

Sources of identity provide us with meaning for who we are. This meaning serves as a guide for how to behave in many situations, including situations involving conflict such as negotiation. When individuals believe that the outcome of a negotiation could strengthen or, more importantly, weaken part of their identity, they frame the negotiation around that identity. That means in their mind the negotiation has become about not just the outcomes but about who they are as a person. Is identity at stake in every negotiation? Of course not. But your task as a negotiator is to understand when it might be at stake and to offer intangible interests that support identity.

The skill you need to develop is to understand when someone else’s identity may be enhanced by providing, usually intangible, value. This could be either because an identity is important to someone and you can provide value to validate that identity or because an identity is threatened and you can provide value to address that identity threat. Identity threat causes a range of negative outcomes, including depression, poor health, and conflict. Thus, when individuals are threatened, moving toward understanding and reciprocity can be a challenge. Your task in a negotiation is to figure out which identities are activated, that is, which identity or identities for the person you are negotiating with are particularly meaningful or salient in the context of that particular negotiation.

Where Does Identity Come From?

Identities can originate from multiple sources, including group, roles, relationships, and symbols.

**Group-based identity** originates as you see yourself as a member of a social group. Groups can be almost anything, including clubs, schools, organizations, companies, teams, family, religion, and even demographic-based groups (e.g., gender, sexual orientation, ethnicity). When you identify with a social group, you are biased in favor of that in-group and biased against relevant comparison or out-groups. To maintain and increase your self-esteem, you tend to see actions and characteristics of your in-group more positively than you do out-groups.
Consider a simple negotiation over a new bicycle. The salesperson is not only trying to sell a bike and settle the issues; in addition, she sees her bike shop in a favorable light and the bike shop across town (the competitor) in a negative light. This might imply a bias toward her own bike shop ("Our service plan is so much better!"). To help the salesperson say yes, the customer might need to be sensitive to that sense of identity the salesperson holds. The customer might compliment the shop or say something negative about the shop across town. Each of these statements would likely resonate with the salesperson because of her intangible interests to see her own bike shop positively. This is a simple example of one person (customer) supporting the identity of another (salesperson).

Role-based identity results from the roles that you hold. As seen in Figure 5.1, these can be work-related roles such as supervisor or coworker or non-work-related roles such as spouse, parent, or friend. Individuals who negotiate a great deal might also see themselves in the role of negotiator, which could be quite meaningful to them. This role-based identity is especially critical as they may be more threatened by the possibility of “losing” a negotiation than someone who does not have this role-based identity.

Figure 5.1 Sources of Identity

- Religion
- Company
- Profession
- Team

Groups
- Supervisor
- Spouse
- Parent
- Friend

Roles
- Joe’s supervisor
- Pam’s coworker
- Steve’s friend
- Blake’s dad

Personal Relationships
- My house
- My comic books
- My stories
- My car

Symbols

I identify as a member of a __

I identify as a __

I identify with ___
Consider Diane, a new manager in a health insurance organization.

Bill, one of Diane’s new direct reports, has been lobbying for a year to investigate a new information technology (IT) system for the unit. His argument is that greater efficiency can be achieved if medical records can be updated from phones, tablets, laptops, and desktops. Upper management has been ignoring this request because the dominant thinking for a long time has been to “stay away” from handheld technologies. Bill now brings this request to Diane.

In addition to her tangible interests of profit, Diane has an intangible interest that is wrapped up in her role-based identity as a new manager. She perceives her role as a manager as one of importance and expertise and that she should be “the boss.” Thus, it is hard for her to champion Bill’s request because she would feel as if she is “giving in” to Bill and not acting like a manager. In her mind she convinces herself that Bill’s request is not really appropriate for the organization. So even though Bill might make the company money, Diane is predisposed against his suggestion because her role as a manager is making it difficult for her to see Bill’s proposal in an objective way. Giving in to Bill seems to her as if it violates her belief as to what she should be doing as a manager (i.e., making decisions), and as such she is predisposed to be skeptical toward him. For Bill to get what he wants he will need to understand that this part of Diane’s identity is important to her and not force her into a decision she is not ready to make.

Relationship-based identity results from the relationships that are meaningful to you. With so-called relational identification, what is central to you is how you see yourself vis-à-vis others. If you identify as being someone’s friend, someone’s coworker, or someone’s boss, what is important to you is that relationship. What distinguishes relationship-based identity from role-based identity is that another, specific person is involved in this identity. You identify because you are Joe’s supervisor or Pam’s coworker or Steve’s friend.

Keith reluctantly agreed to take a vice president job when his predecessor unexpectedly left the company. Although he is not averse to more work, he very much liked his prior job. One of the first tasks Keith is given by his boss is to hire a new executive director in his department. After an extended search, Keith hires Judy. He and Judy hit it off right away as she is eager to learn about the business and take on many of the innovative tasks that Keith and his department have been charged with. Seeing Judy grow in her position makes Keith happy and motivates him to continue as a manager.

In this scenario Keith does not identify as being a manager as Diane does in the previous scenario. Power and authority are not important to him, and while he appreciates the added salary, he liked his old job just fine. What is meaningful to Keith, however, is the relationship with Judy as Judy’s mentor. He finds himself invested in her career development and wants to ensure that she continually gets opportunities to add to her skillset at the organization. This relationship gives meaning to Keith and will be an important factor as he negotiates on behalf of himself, his unit, and Judy in the future.
Symbol-based identity is based on the things, not people, that help you define yourself. There are two main types of symbol-based identity. The first is possessions. Consider the following scenario of Diego, who is selling his house:

Diego has spent the past 15 years restoring a house built in the 1890s. He loves this house “more than life itself” and credits the restoration project for getting him through a tumultuous divorce, the death of his mother, and numerous job changes. He always knew that on the weekend he could work on the house as an “escape” from reality. Unfortunately for Diego, he is now out of work and is simply unable to find a job. Desperate to stay off welfare, Diego decides to sell the house. The first agent who comes to the house takes a look and tells Diego, “This would probably be a teardown.” Diego is crushed.

Diego’s identity is wrapped up tightly in this house. In a sense, Diego is this house. When Diego thinks about who he is, he thinks about the house. Any buyer negotiating with Diego has to know that they are not just negotiating with someone who is selling a house, they are negotiating with someone who is the house. Insulting the house or pointing out flaws in the work that Diego has done will feel like a personal insult to Diego, making it much less likely that Diego will say yes to the buyer.

Symbol-based identity can originate from other inanimate things such as one’s stories. When someone tells and retells a story of oneself as a fair and kind person, the story becomes the source of identity rather than the original event. In this case individuals are motivated to support that identity to be consistent with how they see themselves. If you are interested in the power of symbol-based identity, watch the movie Big Fish by director Tim Burton (2003). In this movie a dying father’s entire identity is defined by the stories he has told about his life. His son, who is not interested in those stories, is trying to negotiate with the father while negating or diminishing those stories. Not surprisingly, the son does not get very far in the negotiations because he violates the dad’s symbol-based identity.

Multiple Sources of Identity

The concept of identity is not straightforward. It is not as if any one individual has one role or one social identity; rather, individuals have multiple identities. A woman who is an executive in an engineering company negotiating a supplier contract may have the following identities: woman, engineer, manager, executive, successful contract negotiator, mother, spouse, and possibly others. Individuals differ in terms of the importance they place on any one identity; identities also differ in terms of relevance to any one negotiation.

In negotiations, her identity as a successful contract negotiator or engineering professional or manager will likely be most relevant to her. But it does not mean that the other parts of her identity are not relevant. If you, as a potential supplier, make a joke disparaging kids, and this activates her identity as a mother, you may find yourself with less ability to collaborate with her.
Identities can also be multifaceted or layered, in that what is seemingly an easy identity to understand is much more complicated from the perspective of the identity holder. You might assume, for example, that a chef has a professional identity that is centered on knowing how to work with multiple types of food. In this case the chef's identity would be closely related to the technical skills he has developed. But it is equally likely that the chef might see himself as an “artist” by virtue of his profession. Why is this relevant? Because when you are negotiating a catering contract with that chef, validating his identity as an artist might go a long way toward getting you what you want.

Thus, to understand the identity-based interests of an individual, you need to understand that individuals hold multiple identities, these identities become relevant depending on the situation and conversation in the negotiation, and these identities can be threatened, leading to negative reactions.

### Identity Threat

Identities are relevant because, if threatened, they can inhibit your ability to obtain value from negotiation. This can happen if you threaten someone else's identity or if they threaten yours. **Identity threats** are experiences in which an individual perceives “harm to the value, meanings, or enactment of an identity.”12 To perceive a threat, the individual needs to see harm to the identity in the present or, for a more intense threat, in the future. Consider the following example adapted from Petriglieri’s article (see note 12) on identity threat:

A middle manager who aspires to a senior executive position is standing in line to buy a coffee shortly after her return to work from maternity leave. While waiting, she overhears two strangers denigrating working mothers and questioning their career commitment. On a different occasion the woman overhears her boss and a close colleague having a similar conversation. Whereas in both situations the woman may feel that her professional identity is devalued in the moment, in the second situation she is more likely to project future negative consequences, such as being passed over for promotion and being less able to claim a potential senior executive identity, her current manager identity, or her mother identity at work. While she may appraise both experiences as harmful to her identity, the threat is likely to be more intense in the second situation.

What we can see from this example is that not all identity threats are created equally, just as not all identities are equally important. It is your task as a negotiator to understand which identity (or identities) are activated and the severity of associated threat. What do individuals do in response to identity threat? They can give up their identity, but identities may be quite difficult to discard, especially to the degree they are more central to one’s self-definition, such as a gender or racial or even religious identity.13 This is one reason particular intractable identity conflicts, such as the one between the Israelis and Palestinians, last for many generations.14 Others have argued that the intensity of such disputes is based on the need to protect and preserve held national and religious identities.15
Rather than discard a held identity, what is more likely in negotiations is that when one side is threatened, that side makes a negative judgment of the person who caused the harm, which could cause one to simply not negotiate.16,17 This means that if you threaten someone else’s identity in a negotiation, one of the ways they can manage that feeling of harm is to think negatively about you. This becomes a problem if you are seeking to take an understanding approach to negotiation as understanding is based on open exchange of information; once you are seen as nontrustworthy, that open flow of information is likely to stop.

Olivia walks into the car dealership. A man, the new salesperson, greets her and asks what he can do for her. She replies that she is interested in a small SUV for her family. A man replies by asking what her husband thinks.

Oops! Within 30 seconds of meeting a potential client, A man has threatened Olivia’s identity as a self-independent woman and mother capable of making her own purchase decisions. No matter what happens after this, Olivia is going to see A man differently and is much less likely to trust him, let alone buy a car from him. A man has not understood the lesson of identity threat.

Cognitive Dissonance and Consistency

Have you ever been in a negotiation with someone where they “dig in” to their position? Or they refuse to talk about something they consider already decided? Or they won’t even put an issue on the table because they already said that issue is nonnegotiable? Individuals do this because they want consistency between their current and prior actions.18 In this case their prior action is stating a preference for a position or a decision on an issue or saying an issue is nonnegotiable. If they were to waver off of that position, they would be inconsistent and potentially lose face. This is threatening to one’s identity, which is one of the intangible interests. It’s not just that someone wants...
something, it’s that they have become psychologically attached to that prior position by publicly stating its importance. This is the opposite of having someone save face, which occurs when someone is put in a position where a past position is supported or a valued identity is upheld.

Cialdini, in writing about consistency, gives the example of a subtle change in the reservation policy of a restaurant, which was struggling because people who made reservations failed to show. Instead of saying to the caller “Please call if you have to change your plans,” the receptionist started asking, “Will you please call if you have to change your plans?” The caller would then have to give a verbal response acknowledging that she would, in fact, call back if she needed to cancel. By making this verbal commitment to call and cancel, the caller would now have to put in the time to call back and cancel in order to be consistent in her past actions (saying that she would). This simple intervention dropped the no-show rate immediately, from 30% to 10%.

Underlying consistency is the concept of cognitive dissonance, developed by psychologist Leon Festinger in the 1950s and 1960s. Cognitive dissonance describes the process by which you seek to align your actions with your thoughts or cognitions. In one classic experiment subjects engaged in a boring task of filling in spaces with letters on a grid. After completing this task they were paid either $1 or $20 and were told to describe the task to a waiting subject in the next room. Surprisingly, those that were paid $1 were more likely to give a positive impression of the task than those who had been paid $20. Why? Because those who had been paid $20 now had a reason—a big payout of $20—that helped them justify why they had to complete such a boring task. Those that had only been paid $1 had no such justification, so they (unconsciously) convinced themselves that the task wasn’t so boring. This cognitive shift allowed them to resolve the dissonance between doing a boring task and being paid poorly.

Cognitive dissonance can occur in all types of situations. A classic example of this idea (and the origin of the expression "sour grapes") is expressed in the fable The Fox and the Grapes by Aesop (ca. 620–564 BCE). In the story, a fox sees some high-hanging grapes and wishes to eat them. When the fox is unable to think of a way to reach them, he surmises that the grapes are probably not worth eating, that they must not be ripe or that they are sour. This example follows a pattern: One desires something, finds it unattainable, and reduces one’s dissonance by criticizing it.

Dissonance can take other forms as well. You could imagine a child wanting $20 from a parent. Upon asking, the child gets $10, which if they had been asked beforehand, would be seen as not sufficient. However, after the negotiation the child thinks, “Well, I’m sure that’s all my dad could give” or “That’s how much I really wanted anyway.” Again, one desires something, finds it partially attainable, then justifies it in order to feel better.

In one study researchers found that negotiators compare themselves with others so as to make their own demands seem fair and reasonable. Why do they do this? Because they want to feel good about the demands they are making; they want to believe that the offers they make are fair and appropriate. After all, no one wants to believe that they are unfair and untrustworthy. The dissonance in this case makes negotiators biased and potentially blind to the truth. After all, just because you believe your offer is fair and reasonable does not mean it actually is.
Consistency can work in other ways as well. Consider a negotiation in which you have already decided beforehand specifically what you want. For example, you know you are going to buy a new MacBook. In this case your belief is that the MacBook is a great laptop and well worth the money. Dissonance means you want your negotiation behavior to be consistent with your beliefs. You will pay attention to information supporting that belief in order to stay cognitively consistent. This means that when the salesperson tells you great things about the MacBook, you will be nodding along thinking, “Yes, yes, I knew this was a good idea!” Unfortunately, this also means you will be more likely to ignore information that may suggest an alternative course of action, for instance, if the MacBook was not reviewed as highly as other laptops. Why do you do this? Because if you were to accept the bad information about the MacBook, you would be admitting to yourself you were WRONG to love this particular computer. That is threatening to your ego. So you ignore this information in order to protect yourself. These cognitive gymnastics are associated with a classic bias known as the confirming evidence bias (Chapter 1). The negotiator (you, in this case) will only pay attention to information that confirms existing beliefs or supports your own identity. This protects (and reaffirms) the self and makes you feel better about who you are (and what you want).

Case Sidebar

Part of the added challenge for Solomon in negotiating with Elizabeth is that she is victim to cognitive dissonance. That is, she has likely convinced herself (or wants to convince herself) that she is a good manager, meaning she is unwilling to engage in solutions that put that belief into question. She is paying attention to information (the federal funding restrictions) that is consistent with her belief that the problem is at the federal level, not with her department. This is frustrating for Solomon as he doesn’t know the federal funding guidelines, until he decides to read them and force Elizabeth into facing the realities of the situation.

Interests in Principle

Beyond one’s identity, there can be intangible interests concerning what is fair or what is right. Lax and Sebenius call these intangible interests interests in principle. These interests can originate from how individuals have negotiated or been treated in the past or from what they see as appropriate or ethical in a situation. Interests in principle can apply to both the way issues are traded as well as the process of the negotiation. Some negotiators will care a great deal about how the negotiation proceeds, whereas others will not. These interests could include desires over who speaks when, how the discussion flows, who is at the table, and so on.
While interests in principle can originate from one’s held identity (or identities), they also can originate from one’s underlying values. Negotiators have diverse backgrounds, which lead to diverse values and diverse intangible interests. The mistake here, as discussed in Chapter 1, is falling victim to the false-consensus effect, whereby you assume that what you see as fair is what others will see as fair; what you see as how a negotiation should proceed is what others see as how a negotiation should proceed. Negotiating with false consensus violates these intangible interests of others, causing you an opportunity for reciprocity by providing intangible value to others at a relatively low cost.

Respect

While trust is a willingness to rely upon another person that is based in the idea that the other person will not harm you, respect is the worth that is owed to everyone simply based on the fact that they are a person. It is entirely possible to show someone respect but not necessarily feel a lot of trust toward that person. For instance, you might respect an enemy, but you probably would not trust him or her.

Respect is a good example of an interest in principle. Seeing value in other people makes one want to know and consider their thoughts and feelings. It also makes people behave in a particular way toward them. When people feel respected, it improves both their mental state and ability to perform. In a negotiation context showing someone else respect (as seen in the sidebar about Bill) makes it more likely that they will engage in cooperative behavior. People’s compliance with behavioral expectations, and their ability to willingly and gracefully accept losses, often hinges on the treatment they perceive themselves getting. If you do not show respect for the other party in negotiation, you are cuing to them that they have no value, decreasing the likelihood that they will reciprocate any offer in the future.

In February 2018 the teachers in West Virginia went on a 5-day strike. The news coverage surrounded the fact that West Virginia ranked 48 out of 50 states in terms of teacher compensation. Many wrongly assumed this strike was only about salary and benefits, that is, tangible interests. As noted by Christine Campbell, president of the American Federation of Teachers West Virginia, teachers cared about more than tangible interests. In addition to tangible benefits, they were concerned about “attacks on their voice.” Teachers did not feel as if they were valued or treated with respect, that is, interests in principle. Most teachers don’t believe they will get rich by teaching, but they do expect to be treated with respect, valued in the community, and listened to. It was these fundamental rights that, in part, led to this strike. Once the governor realized this, getting the teachers back to work by providing a small wage increase and a good faith effort for future negotiations was relatively straightforward.

Bill Mansfield, a former private investigator, was interviewed on the Planet Money podcast regarding his work to prevent international companies from counterfeiting American manufactured goods and selling them around the world. This is an excerpt from the podcast:

**Host:** Bill has found that in China local authorities have a ton of power. So what he does now is set up lots of meetings, meetings with the people who can launch investigations, conduct raids, seize counterfeit products, and arrest counterfeiters.

**Bill:** I always prefer criminal action, an arrest is always what I’m looking for. Some time in jail is never worth selling counterfeit glue.

**Host:** If you ask Bill, this is how to stop counterfeiters in China and elsewhere. Lots and lots of meetings. . . . He’s traveled to 55 countries, gotten at least a dozen people convicted, and millions of dollars of counterfeit goods destroyed.

**Host:** How do you reward these local authorities after a raid goes down? Do you take them out to dinner?

**Bill:** I reward them with the key currency all bureaucrats love, which is a “thank you.” And, often, a small plaque they can put in their office . . . that says you helped us. . . . People want to be appreciated for their work.

**Host:** Are you sure you never bribe people Bill?

**Bill:** No. Never.

When one party is dismissive or derogatory of another’s interests, it can be seen as disrespectful because interests are based in values. Imagine your friend invites you to take a month-long trip around the country with her. How do you respond in a respectful way? If you say the idea is ridiculous, you are questioning her values regarding vacation. If you say driving around the country for a month instead of working is lazy, you are questioning her values regarding work. Even if you say nothing, you might be seen as disrespectful because she is looking for validation of her choice. If you say you are not interested, you might be threatening her role-based identity as your friend. Any of these outcomes could be detrimental to her perception of you and, in turn, your ability to create value in future negotiations with her. One idea, rather than saying yes (which you don’t want) or no (which would harm her), would be to ask about her interests, so that you can craft a plan that works for both of you. This is both satisfying her interest of being respected and helping her save face.
NEGOTIATION TACTICS

Helping Others Save Face

You need to remember that for you to get what you want, the other side has to say yes. However, saying yes to an agreement can be very difficult for the person you’re negotiating with if he has already made statements suggesting he would not reach agreement on a particular issue or if he is otherwise particularly sensitive to the threat of losing face. This is because of consistency. Consider the following example:

A teenager is trying to get her parents to let her use the car on the weekend. But her parents have already told her that she can use the car only when she has no homework. This creates a problem because she is planning on using the car on Saturday and not finishing her homework until Sunday. Allowing her to use the car on Saturday would thus cause the parents to lose face, meaning they would have to agree to something that directly contradicts what they have already publicly said. So what should the teenager do?

She needs to help her parents save face by suggesting an alternative that would not go against their previous statement. She must remember that her parents want to be consistent in their words and actions. Here are a few possibilities:

- She could forgo her plans on Friday night and finish her homework then.
- She could ask for a contingent contract (Chapter 4), such that she only gets to use the car on Saturday contingent on her completing her homework on Sunday. If she is unable to produce said homework, this deal will not be possible in the future.
- She could lay out her situation, explaining that the plans cannot be moved to Sunday and that the group she is doing homework with can only work on Sunday. Then ask her parents for advice on what she might do in this unusual situation that is not likely to happen again.

The key is for her to give her parents a reason to let her out of the original deal, but without making them think what they’ve said is not important or relevant. This is a challenge because when negotiators are threatened in this way, they naturally become more competitive.

Framing Positions to Match Intangible Interests

Because saving face is a critical component to agreement in negotiation, it may be necessary to frame certain issues or positions on issues in a way to help the other party save face. It might just be a superficial change, but it may be enough to get the other side to say yes and stay consistent between their cognitions and behaviors. One key example
of this was the budget negotiation between the Republicans and Democrats in April 2011. The Republicans, fresh off a victory in the 2010 elections, were under pressure to cut the budget to support the various Tea Party supporters in the party. This made their stance on budget cuts seemingly intractable. To get them to say yes, the Democrats had to give them a number they could take back to their constituencies. They ended up agreeing on $38 billion in spending cuts. When the details of the final agreement were released, however, it was discovered that most of these cuts weren’t cuts at all but programs that were not renewed and/or savings that would only be realized several years into the future. According to an analysis of the budget by the nonpartisan Congressional Budget Office, actual cuts to spending amounted to only $325 million. Nevertheless, the presence of the $38 billion figure allowed the politicians a talking point to save face to constituents.

Take another example of an employee who wants a new task assignment at work. He wants to take on budgetary responsibilities in addition to technology work, but his boss is worried he is going to slack on his current job. Instead of calling it a “new job” with a “title change,” which is unpalatable to his boss, the employee proposes that he serve as the “backup budgetary” person. He can still work with the budget folks and learn about the job but at the same time satisfy his boss. This solution allows his boss to save face and gets the employee what he wants.

Utilizing Intangible Resources

Every negotiation represents an exchange of resources between two parties. As you first learned in Chapter 2 (and in Table 5.1), resources, as with interests, can be both tangible (e.g., money, cars, boats, etc.) and intangible (e.g., empathy, trust, respect, etc.). In this way negotiation is no different than any time you purchase something at a store. You say yes to buying a box of cereal because you think the value of the cereal (e.g., $4.19) is as great as or greater than the value of $4.19 to you.

Thus, as a decision rule, individuals need to cognitively balance the exchange in order to say yes to a negotiated deal. They need to believe that what they are receiving in the offer equals or exceeds what they are putting in. You can think of this in terms of the following equation:

For Party A to say yes:

\[ A_{(received)} \geq A_{(given)} \]

For Party B to say yes:

\[ B_{(received)} \geq B_{(given)} \]

That is, what A receives must be greater than or equal to what A gives for A to say yes. Similarly, what B receives must be greater than or equal to what B gives for B to say yes. You can see from these equations that A is particularly concerned about what A receives versus gives and B is particularly concerned about what B receives versus gives.
Let’s assume Party A is selling a saxophone for $500 and Party B is willing to buy it for $400. As denoted by the arrows in the figure, what B is giving A ($400) is equal to what B receives from A (a saxophone worth $400). However, the value given by A (a saxophone worth $500) is not equal to what A receives from B ($400). Using the same two equations above, the negotiation at this stage looks like this:

For Party A:

$400 \geq 500 \; \rightarrow \; “NO”$

For Party B:

$400 \geq 400 \; \rightarrow \; “YES”$

These equations demonstrate that when only tangible resources are being exchanged, there is NO DEAL. B is offering $400 to A for a saxophone worth $400 to B and $500 to A. This represents a −$100 zone of potential agreement (ZOPA; see Chapter 2). So what is the outcome? With only these resources on the table, A is going to say no to this deal and B will say yes, meaning there is no deal.

What can B do? B needs to influence one of the components of the equation so that A’s equation balances. Here are some of B’s options:

1. Convince A the saxophone is only worth $400. (Present A with data-based arguments; see Chapter 7.)
2. Allow himself or herself to be convinced the saxophone is worth $500, thereby increasing the offer to A. (Allow A to present data-based arguments; Chapter 7.)
3. Add another issue (instrument, case, lessons, etc.) and logroll the issues. (Adding issues and logrolling; see Chapter 4.)
4. Provide A with intangible resources to help A say yes in the negotiation.

Options 1, 2, and 3 have been or will be covered at length in other chapters, so we will not rehash them here. Option 4, however, is a different way to manage this equation as it leverages B’s intangible resources, which are valuable because of A’s intangible interests. Many things that people want are intangible and are related to how they are treated by the other party in the negotiation. If you are able to tap into an intangible interest of the other side (respect), the other side will be more likely to say yes to your deal. Instead of just thinking about what is received and what is given, we can think about both the tangible and intangible resources that are received and given.

For Party A to say yes:

$$A_{(\text{intangible received})} + A_{(\text{tangible received})} \geq A_{(\text{tangible given})} + A_{(\text{intangible given})}$$

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For Party B to say yes:

\[ B_{\text{intangible received}} + B_{\text{tangible received}} \geq B_{\text{tangible given}} + B_{\text{intangible given}} \]

If B realizes that A would value some intangible good (to validate A’s identity), B can provide that for very little (if any) cost to B.

Going back to the saxophone example, say A has symbol-based identity to the instrument which is partly driving A’s assessed value. B can say something like “So, tell me how you got into playing the saxophone?” or “I’m fascinated with this instrument. What all can you tell me about it?” B could also flatter A by genuinely stating how impressed B is with the instrument and how A must have taken great care of it. If A is worried about who is acquiring this instrument, A may be quite pleased to sell to a buyer who actually shows genuine interest in the instrument. B might follow with additional questions in order to show A that B really cares about taking good care of the instrument. This empathy (which costs B $0) toward A might provide enough value ($100) for A to say yes to the deal. A now feels more comfortable selling at a slightly lower price to B because of B’s providing of intangible value in the negotiation. In this case both parties will say yes.

For Party A:

\[ $100 + $400 \geq $500 + $0 \rightarrow \text{"YES"} \]

For Party B:

\[ $0 + $400 \geq $400 + $0 \rightarrow \text{"YES"} \]

However, perhaps A doesn’t feel $100 worth of “warm fuzzies” over B’s interest in the instrument and instead says something like “B, I appreciate your interest and because of that I’ll be perfectly honest with you. I’ll come down to $425 but that’s as low as I can go.” B, whether because of reciprocity (see Chapter 4), because of the magnitude of the concession, because B likes A (Chapter 6), or because B feels that A is treating B more than fairly, agrees to the deal. A has given B intangible resources (respect, fairness, trust, honesty) in addition to the tangible concession of $75. In this case while B still values the saxophone at $400, B says yes because of the intangible resources received from A. In this case the equations look like this:

For Party A:

\[ $75 + $425 \geq $500 + $0 \rightarrow \text{"YES"} \]

For Party B:

\[ $25 + $400 \geq $425 + $0 \rightarrow \text{"YES"} \]
The importance of understanding intangible interests and trading intangible resources can be seen in the show *American Pickers*, an example we come back to here because of the show hosts’ ability to manage tangible and intangible interests. The premise of the show is that two business owners (Mike and Frank) from Iowa drive around the country and “pick” antiques and collectibles from individuals who typically have large collections on their property. They then sell the items in their shop for (hopefully) a profit. Because Mike and Frank are almost always buying from original owners (who are deeply invested in their own possessions), the owners tend to overvalue what their items are worth, because they have an (irrational) emotional attachment to the items. Their identity, and the identity of their family in many circumstances, is wrapped up in these possessions. Mike and Frank typically utilize the following strategies:

1. Convince the owners the item is not as valuable as the owners think.
2. Reassess what they think the item is worth (often by calling experts).
3. Add other items and logroll.
4. Provide the owners with intangible resources.

While Mike and Frank rarely use #2, they often employ #1 and #3 when trying to make deals. They also realize the importance of #4 by asking questions such as “How did your dad get into collecting?” and “What do you love about these items?” They try to validate the sellers’ identity; in doing so, they provide intangible resources to the owners, resources that cost them nothing but time. The owners, because they typically have an intangible interest of feeling good about the buyer, find it easier to say yes to Mike and Frank than they might to a stranger who is only interested in price.

Note that intangible interests are not just whether someone likes someone else. Liking is another way that negotiators can get what they want from others (discussed in Chapter 6).

**The Emotional Appeal**

An emotional appeal is essentially the equivalent of saying “Please help me” to the other party. With the emotional appeal, you are tapping into the intangible interests of the other side.

Manager: I need you to cc me on all of your e-mails to customer X.
Sales Employee: Why?
Manager: Because I am under a ton of stress and upper management is breathing down my neck, and it would really help me out if you did this favor for me.

In this case the manager is trying to get value from the negotiation simply by asking for sympathy. The emotional appeal can work for a number of reasons. One reason is
that people sometimes respond favorably to an expression of vulnerability—they feel bad for the asker. Second is that the issue is meaningful to them and they are motivated to help. Perhaps you are asking for money for a cause that is personal to the potential donor. Another reason is that, even though you are not offering anything in exchange, the principle of reciprocity may still motivate the other party. After all, even though you have no power now, you possibly will have resources, knowledge, or authority in the future which might be valuable. So by helping you now, the other party may expect some future benefit from you, as a form of logrolling or delayed reciprocity. Finally, it could be that they help you because of the relationship you have with them (see further discussion of relationships in Chapter 6).

Another factor in whether or not an emotional appeal might work is essentially “the luck of the draw” in terms of individual differences (discussed more in Chapter 11). Some individuals may have more of a helping disposition or may be more generous and charitable than others.30 Whereas one person might easily be able to ignore an emotional appeal, another may feel obliged to help. The better you know the people who surround you, the more accurate you will be in predicting who you might be able to influence with an emotional appeal.

Using Standards

As you are negotiating with someone else, you can use cognitive dissonance and the idea of consistency to your advantage by invoking what is termed standards. A standard is a “practice, policy, or reference point that gives a decision legitimacy.”31 Company policies can be standards, fairness can be a standard, even the process of negotiating can be a standard. To use a standard means that the negotiation party has adopted some belief that you can use in order to frame the negotiation as a matter of consistency.

Imagine you are negotiating with a company about a return that is slightly past the return date. Perhaps the company has a policy that “The customer is always right.” In this case you can ask the company representative whether that standard applies in this situation. The policy of the customer is always right might trump the return policy. That is, the manager might bend the rules on the return policy in order to be consistent with the policy that the customer is always right.

Many standards are based on the idea of fairness. If your daughter is arguing that she should pick the movie for movie night rather than her sister, you could reply with formal power: “No, I decide whose turn it is,” which may result in tears, or you could reply with standards: “Do you think that everyone in the house should have a chance to pick the family movie for movie night?” If she says yes to this question, then, to be consistent, she is more likely to relent and let her sister choose.

BENEFITS TO LEVERAGE INTANGIBLE INTERESTS

When you seek out intangible interests you are engaging in an exploratory exercise to diagnose not only what someone wants and why, but how that ties to who the other person is—their identity, their values, their beliefs, and so on. Their intangible interests
describe how they see the world and how they believe they (and everyone else) should be treated in negotiation. This viewpoint gives you the opportunity to understand not just the tangible resources they desire but the intangible resources that will help them say yes. So, why does this help you?

- **Reciprocity.** You learned in Chapter 4 the various tactics that are opened up to you via the path of reciprocity. Leveraging intangible interests, as discussed here in the tactics, just gives you more opportunity to do so.

- **Shadow of the future.** You don’t know what is going to happen in the future, such as whether or when you are going to be negotiating with this person again. It is of course then in your best interest to satisfy the other side’s intangible interests so that they form a positive impression of you. Due to cognitive dissonance, if they have a positive impression of you, it will make it much more likely for them to say yes to not only your current but also your future requests.

- **Relationship Management.** Do you want to try to figure out someone’s identity and underlying beliefs every time you negotiate? Of course not! This is a giant waste of time. Better to try to truly dig in and understand their underlying intangible interests so that negotiating becomes more efficient in the future. If you have ever been in a bad relationship, you know that position-based bargaining over every single thing is draining, both for the individuals and for the relationship. Avoid this by learning intangible interests early.

- **Ethics.** Responding to others’ intangible interests is the right thing to do. It shows empathy for them and it communicates that you want a negotiating environment where each side’s values and beliefs are not violated.

**COSTS TO LEVERAGING INTANGIBLE INTERESTS**

There are also several potential costs to using intangible interests. First, remember that intangible interests can be quite unpredictable. You could spend entire negotiations (or lifetimes) trying to discern which intangible interests truly matter to the person on the other side of the table. Part of this reason is that even the person may not truly know what their intangible interests are, or even if they do, they may not be able to articulate those interests and/or why those interests are important. One way that you can learn about intangible interests is to not talk about interests at all but rather ask many, many questions about possible offers so as to detect what the tangible and intangible interests truly are. This is costly, though, in terms of time and effort.

Another potential downside of focusing so heavily on intangible interests is that if the other party realizes they are being influenced using intangible interests, it can
backfire if you are not genuine in your attempts. If you are only trying to seek their identity in order to obtain more value, it could be perceived as a negative negotiation tactic. This is why it is important to be genuine. Intangible interests are helpful to learn because it strengthens the relationship and because you believe it the right thing to do, not just because you want to obtain value.

Finally, if you focus on intangible interests, you might learn something you did not want to know. Perhaps you find out that someone’s conservative identity is very important to them, and you are a liberal. Or you find out that someone’s religious identity is very important to them, and you are an atheist. In this circumstance the knowledge of the identity could impede your ability to take an understanding approach to negotiation, because certain stereotypes may be invoked that make it more difficult for you to engage the other side.

**ETHICAL CONSIDERATIONS**

If you are genuine about finding out about others’ intangible interests, it is unlikely that you would be engaging in unethical behavior. You are seeking to understand by trying to step inside the shoes of someone else. As with perspective taking, you are trying to provide them with the valued resources they seek in order to make it easier for them to say yes to what you want. The ethical quandary you may be in is why you are choosing this set of tactics.

Take, for example, helping someone else save face. If you are truly helping someone else save face, you are taking the management of their ego as your own personal task, which shows that you can see the negotiation through their eyes. In essence you are helping them feel better about themselves so that they can say yes to what you want. Would you like others to treat you this way? Being sensitive to your needs and your ego? If so, then this tactic will be something that would likely uphold your own personal standard. If not, then you should question whether helping them save face is ethical in your situation.

An ironic side effect to genuine attempts to understand other people’s intangible interests and trying to step inside their shoes is that you may inadvertently discover information about them that you can take advantage of during a negotiation, as opposed to just understanding their interests. Suppose, for example, that you discover that a coworker you are negotiating with (and that you need some resource or information from) is very insecure about his job and is constantly worried about upper management getting a negative impression of him. If you have influence or relationship ties with anyone in upper management, it would be relatively easy to influence this person with subtle hints that you might mention his “lack of cooperation” to your friend in upper management. If a genuine desire to understand the other party’s interest ended up giving you a potential advantage and additional lever to use to influence him, is that just a lucky break for you to help you achieve your goals in the negotiation, or is it ethically problematic?
Case Sidebar

Do you think that Solomon’s behavior in this negotiation is ethically questionable? He went behind Elizabeth’s back and read up on federal funding guidelines that are clearly in her domain. What if Solomon had taken that research to Elizabeth’s boss? After this negotiation Solomon asked himself whether what he did was the right thing to do, whether he would have been comfortable with someone else doing this to him. If he had to do this over again, Solomon would have kept trying other tactics and questions with Elizabeth before invading her “turf.” For example, he could have asked her permission to look at some of the federal guidelines or talked to other people at the university to uncover some of the problems she might be having.

Ethics Discussion Questions

1. Imagine that you are in a negotiation with a coworker over whether to continue to update a document before sending it to the boss. You want to send it to the boss and your coworker wants to keep editing. You know that if you say that you are the “content expert” and you should have final say, it will threaten the identity of your coworker, who just wants to be seen as an equal. However, you also know that if you say this, you will likely immediately get what you want, which is for your coworker to give up and let you send the document in. What do you do? How would you feel if someone did this to you?

2. You make more than your significant other and this is causing tension in your relationship when you have to decide how to spend money. You feel more comfortable going out to eat, buying nice clothes, than does your significant other. What might the intangible interests be in this situation? You basically just want to tell him or her to “get over it” so that you can have normal conversations about buying furniture, taking vacations, and spending money on other things. Is this an ethical thing to do? If not, how might you approach the intangible interests better in this situation?

3. Many states have passed so-called apology laws, whereby individuals or companies can apologize to a victim or victim’s family without putting them at risk of being sued. For example, if a hospital makes a mistake and a patient dies, a representative of the hospital can apologize to the family of the patient. This sounds good, right? One perhaps unintended consequence of the apology is that the victim’s family is much less likely to sue if they’ve received the apology (an intangible resource). This raises the question: Is the apology given because one is truly sorry? Or is the apology given because one doesn’t want to be sued? What do you think about the nature of apologies in these types of situations?
CHAPTER REVIEW

Discussion Questions

Consider the following scenario:

Two months ago Brock was placed on an interdepartmental team with four other individuals. One of Brock’s fellow team members, Erin, is the only member of the team with an information technology (IT) background. The rest of the team is from finance or management. Erin’s preferred style is to immediately identify a problem and set out to fix it, much as you would a piece of software code. Brock’s problem is that the team is tasked with setting a strategic vision for change for the organization, which is complex, multilayered, and long term. Given the divergence between the team’s task and Erin’s preferred problem-solving approach, the team members often discount Erin’s ideas, which usually consist of immediate action.

One day during a team meeting, this issue came to the fore as Brock was leading the team through the 4-month rollout of a new strategic initiative. Erin wanted to e-mail the company that day telling them the change, which Brock and his fellow team members knew was not going to work. They had to get buy-in for the idea first. Erin finally had enough and told the team, “You clearly all don’t value my ideas, so just decide what you want to do and I’ll support the team.”

Whereas some of the team members were fine with this solution, Brock was not. He knew that without Erin’s full buy-in, she would not be as motivated, she would not provide valuable input, and she would not sell the strategic changes to her home department.

He could sense that Erin was defensive in team meetings and was starting to “check out.”

1. What should Brock say to Erin?
2. When should he approach Erin?
3. What do you think Erin’s intangible interests are in this situation?
4. What are the benefits of probing into Erin’s identity?
5. What are the costs to probing into Erin’s identity?
6. What if Erin tells Brock that she is not going to fall for any “gooey-feely” stuff?

Concept Application

1. Imagine you are not pleased with a test grade and you want to send your professor an e-mail.
   a. What are your tangible and intangible interests in this type of negotiation?
   b. What are the tangible and intangible interests of the professor in this type of negotiation?
   c. What identities might be activated by this negotiation for the professor and the student?
   d. How do you address both your interests and your professor’s interests?
   e. Now write the e-mail and share it with your classmates.

2. Find a close friend, family member, or colleague who is willing to open up to you about their intangible interests. Ask them about a negotiation they were involved in that did not involve you. Ask them the following questions to understand whether intangible interests played a role in determining the outcome of the negotiation:
   a. Were you treated fairly? How do you know?
   b. Do you share the same beliefs and values as the other person? What information did they give you that leads you to believe this?
   c. Did you feel threatened in the negotiation? Or defensive? What happened that led to those feelings?
3. After performing an in-class negotiation, ask the person you just negotiated with how well you did at managing their intangible interests. You may ask them the following questions as a starting point:
   a. Did I treat you fairly?
   b. Would you want to negotiate with me again? Why or why not?
   c. Did you feel threatened or defensive? What did I say that caused that reaction?
   d. Would you have appreciated different behavior from me during the negotiation? How so?

4. Use standards. This could be in a negotiation with a company, a negotiation at work, or even a negotiation at home. The key is to try to get the other side to agree on a principle and then influence them based on that principle. This is often possible if a company has a mission statement or policy of standards (e.g., “the customer is always right”) that is public. Come to class with your example(s).

Role-Play Exercise:
The Science Department

ACME Publishing produces textbooks for various high school subjects, including English, history, science, and math. Each subject area has a department head, who is in charge of all editing and sales. Each department has approximately 30 employees, who are split equally between editing/author support and sales. The editing/author support teams are located on-site and work on updating already existing editions of textbooks as well as working with new authors to produce new textbooks. The sales employees are distributed across the country and each is responsible for a particular region.

Due to scandal involving sexual harassment as well as poor leadership of the divisions, the chief executive officer (CEO) of ACME Publishing was removed by the board of directors 3 months ago. While a nationwide search proceeds, an interim CEO was put into place by the board. The interim CEO, Doug Williams, has been charged with getting a handle on the performance of all of the departments (see Figure 5.2).

After 2 months in his job, Doug sent this message to the entire ACME staff:

After listening to many of you at ACME during the past 2 months, I have decided that the best course of action is to open up all four of the department head positions in English, history, science, and math. I know this may come as a shock to many of you. The department heads have been doing what had been asked of them, but the environment of textbook publishing has changed, and it has come time to reevaluate where everyone is in relation to those goals. The current department heads are welcome to apply for the positions as well. This action is meant to “restart” our strategic efforts at ACME and make sure that the best people are leading us into the future.

Regardless of the outcome of each of the positions, it is my intent that every current employee of ACME will have a position at ACME going forward.

Sam Jakist is the current department head of science and has been for the past 15 years. Sam has decided to reapply for the department head position in science.

Blake Rogers has been in sales in science for the past 12 years, working under Sam the entire time. Blake, too, has decided to apply for the department head position in science.

After a series of interviews, Blake Rogers is hired by Doug Williams, the interim CEO, to be the next science department head. Doug offers Sam a choice of staying within the science department or moving to one of the other departments.

The negotiation takes place between Blake Rogers and Sam Jakist after Blake takes over as department head.
Figure 5.2  ACME Publishing Organizational Structure

Doug Williams (Interim CEO)

Department Head - Math

Department Head - English

Department Head - History

Department Head - Science (Blake Rogers)

Sales Team (17 employees)

Editing Team (8 employees)

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A textbook on negotiations written a generation ago might not even have mentioned technology, but in today's world it is a constant and pervasive presence in our lives. As modern generations are growing up surrounded by technology and communication devices, the standards for how and when people communicate are changing.1 A member of one generation might initiate a phone call for something that a member of a different generation would have texted or sent an e-mail about. One person might be offended at having received an “impersonal” text or e-mail instead of a phone call, whereas another person might be annoyed at having been interrupted by a non-urgent phone call when a text could have sufficed. Both examples could result in annoyance or conflict, even if the offending party was trying to be courteous. From how we communicate, to the various methods and media we use, to the availability of information and analytical tools, modern technology has affected negotiation in many substantial and significant ways.

TECHNOLOGY VS. FACE-TO-FACE

The use of technology in communication has fundamentally changed negotiation. With the use of simultaneous video and audio through smartphones, tablets, computers, or dedicated video-conferencing meeting rooms or facilities, the idea that negotiators need to physically be present is a thing of the past. This allows for incredible flexibility, making negotiation much easier and more available. Whereas in the past, negotiations would require physically meeting, now people can negotiate in any place and at any time.

There are potential advantages and disadvantages to the increased flexibility and convenience that technology provides in communication. Although people may like the convenience of instantaneous communication via texting, for example, overreliance on it may undermine benefits that might exist in richer communication media. The benefits of in-person presence, which allows for the full “range” of communication (including body language, eye movements, and other subtle signals), will be increasingly lost as the bandwidth of communication is reduced. Whereas little information might be lost in high-resolution video-conferencing meeting facilities, video on a small mobile phone screen clearly is more limited. As we move down the spectrum to voice or asynchronous text, clearly we are potentially giving up on a lot of data, something that researchers
in media richness theory noted even before the advent of the Internet. The ability to develop more nuanced communication and to build relationships and trust—which can be crucial to effective negotiation—is clearly constrained when using electronic media.

There are a few things that happen when you are not face-to-face during a negotiation. First, it makes it much more likely that someone will lie to you. Research has shown that lying increases when individuals are not face-to-face, possibly because of the anonymity that communicating via text may provide. This anonymity also can provoke individuals to take extreme stances or be overly aggressive, as communicating through e-mail or other non-face-to-face platforms makes it easier to avoid social norms of constraint. On the positive side, though, negotiating through technology provides a record that might be useful, especially in complex negotiations. If you are attempting to buy a car and you are trying to understand monthly payment, annual percentage rate (APR), oil change charges, fees, trade-in value, and accessory pricing, negotiating through e-mail might help you keep many of those facts straight in a way that negotiating face-to-face does not. Negotiating via technology might help you avoid being taken advantage of due to your uncertainty (see Chapter 7).

What you want to think about is whether the choice of communication mode matches your intended tactic. If you are trying to build a relationship or uncover intangible interests, being face-to-face can help, as it will allow for more and deeper information to be transferred between individuals. If, however, you are using formal power, or alternatives, you might benefit from a more straightforward approach over e-mail.

Ultimately this is but one of the many choices you have to make when you negotiate. You might prefer a multipronged approach, where you start a negotiation face-to-face but continue the negotiation virtually once you’ve built trust with the other side. You will have to balance the likelihood of being lied to or otherwise treated negatively with the benefits of having a clear record of what is being negotiated.

INFORMATION AND ALTERNATIVES

An entirely different way that technology has changed—and continues to change—negotiations, is not just as a medium of negotiation but via the increased availability of information. The vast amount of information available via the Internet and other electronic resources has clearly made it much easier to find relevant information in negotiations. For example, the Internet helps negotiators (whether buyers, sellers, or other roles) to more accurately estimate the other side’s BATNA (bottom line) and to understand the availability of alternatives.

A simple example is the purchase of a used car. Twenty years ago there would be relatively little information available for the buyer, and any estimate of the seller’s bottom line would be largely guesswork. Developing a good BATNA would be very difficult and time-consuming and would involve limited sources of information like classified ads in local newspapers. Today, on the other hand, there is a wide variety of information available that is largely without cost and relatively easy to access. Various websites will provide estimates on the value of a used car, including specifics like options and mileage,
and will typically provide estimates of both how much a private buyer is likely to pay and what a dealership is likely to pay. In addition, various auction sites typically provide data on past sales. Combining multiple such sources can give the buyer a relatively detailed impression of what the actual value of a particular used car is and what others in the local area would typically be willing to pay for such a car—giving a good estimate of the seller's BATNA. Furthermore, the buyer would also be able to much more easily locate similar used cars for sale, both locally and farther away, to develop a superior BATNA themselves. In this example, the availability of technology to provide this information has completely changed the dynamic of the negotiation, substantially shifting the power from seller to buyer.

Obviously, most negotiations are more complicated than buying a used car and involve more issues and/or parties, but the underlying benefit of increased access to information remains. If a company is negotiating with a potential new vendor, for example, electronic searching can likely provide a lot of information about the vendor, their past activities, any federal contracts they might have, complaints lodged against them, and other information. If a company is publicly traded, it is likely possible to find annual reports and financial statements, all of which can provide useful information about possible reliability, stability, interests, BATNA, and other data that could be useful for planning a negotiation.