Motivational Video

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Objectives of this Lesson

After completing this lesson, you should be able to:

- Identify bargaining strategies employed in mediation.
- Effectively apply negotiation tactics to a scenario.

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Review of Practical Skills Exercise

Using the terminology in this reading assignment, answer the following questions.

Question: 1	Question: 2	Question: 3	Question: 4
Was integrative or distributive bargaining used? If so, please describe?	**What are the underlying interests for each character in the scenario?** Please provide complete details.	**What strategies were used to facilitate bargaining?** Also, explain how the strategies were used.	**What were the tricks used by the negotiators?** Further, explain how the tricks were used by each negotiator.

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Why Negotiation?

- Mediation is facilitated negotiation.

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The Stages

The communication stage consists mainly of getting the parties and the mediator ready for the actual negotiation.

In the communication stage, the mediator's style was sympathetic, and the open-ended questioning was designed to educate the mediator and give the parties a forum where they could give voice to their grievances.

In the negotiation stage the mediator becomes a more active manager of a negotiation process, keeping people on the task of working to resolve their dispute

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How it occurs **in mediation**

- In a typical mediation session, the parties will meet in the same room for both the opening stage and the communication stage.
- Once it is time to negotiate, most mediators will ask for a caucus to meet with each party separately.

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Shuttle **Diplomacy**

- **The mediator may also employ a tactic called *shuttle diplomacy, which consists of diplomatic negotiations carried on between parties by a mediator who travels back and forth between the disputants.***

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Shuttle diplomacy cont'd

- The mediator will draw a series of concessions from the parties while traveling back and forth between them to relay the concession to the other side in an effort to move the mediation forward.
- This tactic works well in situations where there may be no need to preserve a relationship or where the only issue at hand is money, for example in business mediations such as creditor-debtor relationships.
- This method is less successful when the goal of the mediation is to preserve an ongoing relationship, such as in family mediation sessions. It is suggested that caucus be used very rarely in a family mediation setting.

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Bargaining **Types**

- The two most important kinds of bargaining are distributive (win-lose) and integrative (win-win).
- All bargaining situations can be divided into these two categories.

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Distributive **Bargaining**

- Distributive (also called competitive, zero sum, win-lose, or claiming value):
- In this kind of bargaining, one side "wins" and one side "loses."

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Distributive **Bargaining**

- In this situation there are fixed resources to be divided so that the more one gets, the less the other gets.
- In this situation, one person's interests oppose the others.
- In many "buying" situations, the more the other person gets of your money, the less you have left.
- The dominant concern in this type of bargaining is usually maximizing one's own interests.
- Dominant strategies in this mode include
  - manipulation,
  - forcing,
  - and withholding information.

This version is also called "claiming value," since the goal in this type of situation is to increase your own value and decrease your opponent's

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Integrative **Bargaining**

- **Integrative (collaborative, win-win or creating value):**
- In this kind of bargaining, there is a variable amount of resources to be divided and both sides can "win." The dominant concern here is to maximize joint outcomes.

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Important **Note**

- It needs to be emphasized that many situations contain elements of both distributive and integrative bargaining.
- For example, in negotiating a price with a customer, to some degree your interests oppose the customer (you want a higher price, he wants a lower one) but to some degree you want your interests to coincide (you want both your customer and you to satisfy both of your interests (you want to be happy, you want your customer to be happy).

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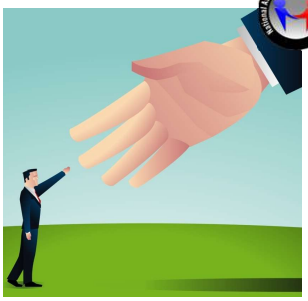
Integrative **Bargaining**

- In general, most successful negotiators start off assuming collaborative (integrative) or win-win negotiation.
- Most good negotiators will try for a win-win or aim at a situation where both sides feel they have won.
- Negotiations tend to go much better if both sides perceive they are in a win-win situation or both sides approach the negotiation wanting to "create value" or satisfy both their own needs and the other's needs.



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Creating **win-win solutions**

- The key to successful negotiation is to shift the situation to "win-win" even if it looks like a "win-lose" situation.
- Successful negotiations often depend on finding the win-win aspects in any situation, only shift to a win-lose mode if all else fails
- This method is less successful when the goal of the mediation is to preserve an ongoing relationship, such as in family mediation sessions. It is suggested that caucus be used very rarely in a family mediation setting.

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Creating **win-win solutions**

1. In order to facilitate integrative or collaborative bargaining some steps are taken.
2. To reduce conflict that already exists, organizations also should take steps to reduce conflict.
3. physical separation
4. hierarchy (the boss decides)
5. bureaucratic approaches (rules, procedures)
6. integrators and third-party intervention
7. negotiation
8. rotating members
9. Interdependent tasks and super-ordinate goals ("We are all in this together...")
10. intergroup and interpersonal training

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Integrative or Win-Win Bargaining: The Critical Points

- **Plan and have a concrete strategy. Be clear on what is important to you:**

1. Separate people from the problem;
2. Emphasize win-win solutions;
3. Focus on interests, not positions;
4. **Create options for mutual gain**—generate a variety of possibilities before deciding what to do;
5. Aim for an outcome based on some objective standard;
6. Consider the other party's situation;
7. Know your BATNA (Best Alternative to a Negotiated Alternative);
8. Pay a lot of attention to the flow of negotiation;
9. Take the intangibles into account;
10. Use active listening skills;

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Some Tricks that Skilled Negotiators Use

Mediators constantly trade off in negotiations.

If we pursue integrative bargaining, we try to create gains for both parties.

An example is offering something less valuable to us but more valuable to the other person (e.g., the other person may highly value payment in cash rather than through financing, whereas we may be indifferent to this).

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Some Tricks that Skilled Negotiators Use




Broadening the pie—create additional resources so that both sides can obtain their major goals

Nonspecific compensation—one side gets what it wants and the other is compensated on another issue.

Logrolling—each party makes concessions on low-priority issues in exchange for concessions on issues that it values more highly

Bridging—neither party gets its initial demands but a new option that satisfies the major interests of both sides is developed.

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Purpose of **Caucus**

To give the mediator an opportunity to ask each side probing questions about its case, which parties might be uncomfortable answering in the presence of an opponent;

To give the mediator an opportunity to explore the conditions under which a party may exercise flexibility or modify its position;

To provide a confidential forum where the mediator can play the role of devil's advocate regarding the parties' positions, explore any business or personal interests which underlie those positions, and generate creative options for settlement.

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Negotiating an **Integrative Bargaining Outcome**

To obtain a win-win outcome it is necessary to understand your own beliefs, values, and objectives and those of the other party.

So, the skills that support negotiation success are important life and social skills. They include:

- listening;
- seeing things from other people's points of view;
- checking out beliefs and assumptions;
- identifying areas of agreement;
- identifying points of leverage and blockages;
- using lateral thinking to find other ways of achieving an objective;
- exercising flexibility and sensitivity.

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Orange Role Play

https://youtu.be/6OPzgWIAGao

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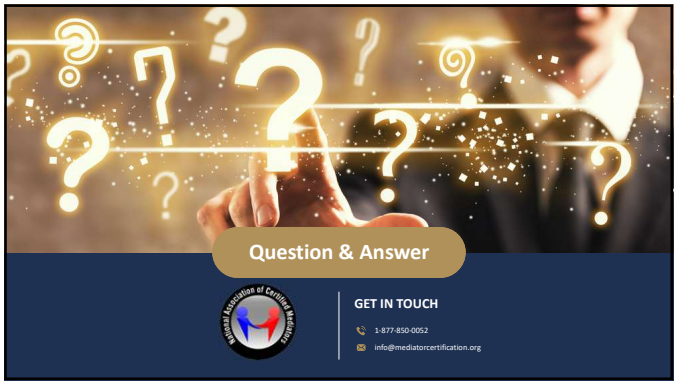
Question & Answer
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