

MGMT300 – COURSE NOTES

TOPIC 4 - INTEGRATIVE BASED BARGAINING (IBB): A STRATEGIC CHOICE?

Integrative bargaining refers to the negotiations between a union and management when the parties are not in direct conflict over an issue and both parties try to understand the other's interest with the expectation to achieve a result benefiting both parties. Win-Win situation

Characteristics:

- Focus on what is common between parties rather than difference
- Address needs and interest
- Commitment is to meet the needs of both parties
- Exchange ideas and information
- Discover solutions that provide mutual gains
- Use objective criteria to set standards and evaluate the process

How do you establish integrative negotiations?

- Understand the negotiator's real needs and objectives
- Minimise differences and focus on common grounds
- Search for solutions that meet the goals and interest of both sides

Key Components of Integrative bargaining:

1. Identify and define the problem
2. Understand the problem fully. What is the interest of both sides?
3. Generate alternative solutions
4. Evaluate and select alternatives

The complexity of interests

- There will be more than one interest
- Parties have different interest at stake
- Interests are often shaped by needs (Maslow hierarchy)
- Interest can change the importance of interaction and communication

CREATING ALTERNATIVE SOLUTIONS

Ways to find alternative solutions.

- Brainstorming
- Ask others

- Surveys

Using technology in exploring options

- Faster
- Allows communication with anyone, anywhere
- There are difference ways of addressing messages
- Memory, storage and retrieval

Evaluating and selecting alternatives based on:

- Quality
- Objective standards (material used)
- Acceptability

Understanding complex negotiations:

1. Identifying negotiations architecture
(awareness of plurality and what forms? Bilateral, Multilateral)
2. Context Analysis
(understanding the factors that created this negotiation context, knowledge)
3. Structural & Relations Analysis
(explicit displays of power VS more subtle cues (finer signs))
4. Process Analysis
(can the phases of negotiation be determined?)
5. Decisional Analysis
(understanding how commitment to negotiated outcome is secured)

Why is Integrative bargaining difficult to achieve?

- History of the relationship between the parties
- Belief that issues can only be resolved distributive
- The reality of mixed motive negotiations
- The hyper competitive pressures facing modern organisations

TOPIC 5 – Perception, Cognition and Emotion

Perception is the process by which we connect to our environment that can be complex. How can our perception have distorted?

- Stereotyping
- Selection perception
- Projection

Sense making mechanisms

- How we understand situations
- Drives our responses and actions
- Establishes meaning and significance in negotiations

Types of frames:

- Substantive: Understanding issues
- Outcomes: Examining results
- Aspiration: A 'big picture' approach
- Process: Form matters
- Identity: Distinguishing traits
- Characterisation: The role of interaction
- Loss- gain: Understanding outcomes