



# Introduction to Negotiation and Dispute Resolution

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11.201 GATEWAY: Planning Action

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Game analysis adapted from James Sebenius (1995)



# Today's learning objectives

- Examine assumptions about being effective in a world of *cooperators, competitors, complex issues, and diverse interests*.
- Explore strategies and tactics for forging and sustaining trust and cooperation—the keys to *coalition building*. **Most important public purposes, and many private ones, are accomplished *only* by coalitions.**
- *Re-analyze* some issues at stake in our past cases (Public housing, Narmada, Anacostia)
- Begin to reflect on *your own style and skills* (“repertoire”) as a negotiator.



# Susskind and Cruikshank (1987)

- ***Problem:*** Impasse (inability to reach agreement in important public disputes)
- ***Where:*** Issues complex, interests diverse, spillovers common, impasse costly.
- ***Prescription:*** negotiated agreement, multi-stakeholder process (look for “joint gain”)



## Fisher et al. *Getting to yes*

- ***Focus on your interests, not positions.*** OK, but agreements eventually include specific positions (terms). Emotions of conflict (pride, anxiety, confusion) tend to make us positional.
- ***Separate the people from the problem.*** Crucial but hard to do—negotiation includes interpersonal exchange, and doing homework on their style and reputation is often key.
- ***Invent options for mutual gain*** (“deal design”). The creative element—when there’s room, when the scope (issues and options) isn’t fixed.



## But ...

- Is negotiated agreement always best? *No, but being able to negotiate effectively is essential.*
- Is a cooperative style “most likely to succeed”? *Not necessarily, depends on counterparts and structure of the negotiation (situation).*
- So: need tools for assessing situations, broad repertoire of analytic and interpersonal skills, adaptable style. Strength “above and below the neck” (analytic smarts + self-management)
- Biggest mistake made by inexperienced negotiators? \_\_\_\_\_



# “Win as much as you can”: Structure?

## What is a negotiation's *structure*?

- Parties (stakeholders: number and type)
- Issues
- Interests
- Options
- Rules and incentives

***Examples: 2-party 1-issue, 2-party multi-issue, multi-party 1 or multi-issue***



# Win as much: Structural logic

If they play...	And I Play	I score	So I should play ...
3X	X	-1	?
	Y	-3	
2X 1Y	X	1	?
	Y	-2	
1X 2Y	X	2	?
	Y	-1	
0X 3Y	X	3	?
	Y	1	

**Iron logic? Whatever they play, I should play \_\_\_\_\_. What does this *assume* about the information I have?**



# Strategy *across* rounds

- In final round (10), no future, so ...  
“iron logic” applies, play X
- If they will play X in round 10, I should  
play what in 9? \_\_\_\_\_
- And so on, backward to round 1.

**Case closed? Make the competitive move  
always?**



# Beyond the “iron logic” favoring competition over cooperation

- The structure shapes incentives in crucial ways, helps explain lack of cooperation where parties could benefit. *But interactive problem-solving is a human process.*
- *Trust:* How do I know I can trust them? How do I make myself seem trustworthy?
- *Communication:* The message intended may not be the one received. Signals matter.
- *History and relationships:* Reputation can promote or undermine trust, relationships built on trust can overcome powerful structural barriers.
- *Framing matters:* What if we call it “the community game”? The “Wall Street game”?



# Advantageously shaping their choices

<b>Their beliefs</b>	<b>Your strategy to shape</b>
<b>They see the <i>benefits</i> of sustained cooperation.</b>	<b>Analyze game and explain clearly.</b>
<b>They see the interaction as <i>cooperative</i>.</b>	<b>Act cooperatively, avoid needless provocation.</b>
<b>They trust <i>you</i> to play Y's.</b>	<b>Make yourself seem trustworthy.</b>
<b>They believe <i>others</i> will play Y's.</b>	<b>Build and sustain a <i>cooperative coalition</i>.</b>
<b>They <i>agree</i> to play Y.</b>	<b>Offer and seek <i>explicit</i> agreement.</b>
<b>Agreement is <i>clear</i>.</b>	<b>Avoid <i>ambiguity</i>, beware “crossed wires” (confusion).</b>
<b>Compliance mechanisms are in place, alternative (play X) is unattractive.</b>	<b><i>Secure</i> the deal with compliance mechanisms, commit to “principled retaliation.”</b>



# Lessons and review

- **Expectations of shared decisionmaking are on the rise, but *impasses* are common and costly.**
- **Basic principles help one rethink negotiation, but *pitfalls* are common, and most negotiators under-prepare.**
- **Analyze a situation's *structure* realistically, then consider people or *process* factors.**
- **Forge *cooperation*: work to win and sustain *trust*, send clear *signals*, negotiate with *deeds* (visible commitments), bolster trust with *compliance* mechanisms. “Tit-for-tat.”**