Technology Policy Negotiations and Dispute Resolution
ESD.933 – Session 2a

Strategic Negotiations

Joel Cutcher-Gershenfeld
Strategic negotiations

• The Essence of Strategy:
  – Making wise choices now by thinking more than one step ahead
  – Assuming others are also making their own, independent strategic choices

• The Essence of Negotiations:
  – A process of dialogue, interaction and agreement
  – Assuming multiple stakeholders with both common and competing interests
Strategic negotiations

Forcing
Fostering
Escape

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

How are they related to each other?
Bargaining strategies

Forcing: Restrained or Unrestrained

Fostering: Robust or Superficial

Escape
The easier path to failure or the harder path to success

Avoid triggering downward, deteriorating cycles

Unrestrained Forcing

Surprise

Anger

Counter forcing

A “winner” – Imposed agreement

Paybacks

Downward cycle of mutual mistrust

Superficial Forcing

Avoidance

Surface courtesy

Superficial agreement

Unexpected events

Entire relationship doubted

Downward cycle of mutual distrust

Superficial Fostering

Openness to future fostering

Realistic Agreements

Exploration of options

Respect for interests and power

Sense of urgency

Realistic constituent expectations

Unrestrained Forcing

Robust Agreements

Anticipate future forcing

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

Exploration of options

Sense of urgency

Constituent support for problem-solving

Restrained Forcing

Robust Fostering

Enable Upward, Self-Reinforcing Cycles

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What happens when forcing comes first?
What happens when fostering comes first?
What happens when both are going on at the same time?
Strategic Negotiations: 
A Mental Model or Framework to Guide Strategic Thinking About Negotiations

Forces Shaping Negotiator's Choices
- Desirability of Change
- Feasibility of Change

Interaction System
- Negotiating Strategies
- Negotiating Processes
- Negotiating Structures

Outcomes
- Substantive
- Social Contract

Note: Among the following slides are strategic questions associated with each aspect of the theory. There are not “right” or “wrong” answers to these questions. Instead, they are designed to prompt strategic thinking about the negotiations.
Strategic Negotiations: A Theory of Change in Labor-Management Relations – Begin with Outcomes

**Forces Shaping Negotiator’s Choices**
- Desirability of Change
- Feasibility of Change

**Interaction System**
- Negotiating Strategies
- Negotiating Processes
- Negotiating Structures

**Outcomes**
- Substantive
- Social Contract

**Strategic Questions About Outcomes**

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

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

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

<table>
<thead>
<tr>
<th>Union-Management Institutional Relationship</th>
<th>Containment or Constriction</th>
<th>Arm’s Length, Maintenance</th>
<th>Strategic Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front-Line Workforce Relationship</td>
<td>Unstable: Tension at All Levels</td>
<td>Stable: Constrained, Incremental Progress Only</td>
<td>Unstable: Disconnect in Daily Work Experience</td>
</tr>
<tr>
<td>Compliance</td>
<td>Unstable: Union Battle for Survival</td>
<td>Unstable: Perceived Wedge Between Union and Its Members</td>
<td>Stable: A Foundation for Innovation and Growth</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
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</tbody>
</table>
Strategic Negotiations: A Theory of Change in Labor-Management Relations – Move to Interactions

**Forces Shaping Negotiator’s Choices**
- Desirability of Change
- Feasibility of Change

**Interaction System**
- Negotiating Strategies
- Negotiating Processes
- Negotiating Structures

**Outcomes**
- Substantive
- Social Contract

**Strategic Questions About the Interaction System**

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

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

**Negotiating Structures**
How many parties or stakeholders are there? Which ones will be “at the table?” How often will interactions take place? How many levels of interaction are involved? How centralized or decentralized will this negotiations be?
Strategic Negotiations: Linking Strategy with Process

HARD FORCING
- Fear, control and uncertainty
- Distributive bargaining
- Divide and conquer

SUPERFICIAL FOSTERING
- Trust
- Integrative bargaining
- Internal consensus

RESTRAINED FORCING
- Advance notice/input
- Distributive bargaining
- Internal education

ROBUST FOSTERING
- Anticipating Conflict
- Integrative bargaining
- Value internal diversity
Strategic Negotiations: A Theory of Change in Labor-Management Relations – Key Considerations

Forces Shaping Negotiator’s Choices

Desirability of Change
Feasibility of Change

Interaction System

Negotiating Strategies
Negotiating Processes
Negotiating Structures

Outcomes

Substantive
Social Contract

Strategic Questions About the Forces Shaping Negotiator’s Choices

Desirability of Change
What are the most desirable and the least desirable substantive objectives for you and others?
What are the most desirable and the least desirable social contract objectives for you and others?

Feasibility of Change
Given past history, current power relations, economic situation, demographics, and other contextual factors, what substantive objectives are feasible?
Given past history, current power relations, economic situation, demographics, and other contextual factors, what social contract objectives are feasible?
Strategic Negotiations: A Theory of Change in Labor-Management Relations – Putting it All Together

Forces Shaping Negotiator’s Choices

Desirability of Change
- Substantive Objectives
- Social Contract Objectives

Feasibility of Change
- History, Power, and Other Enabling or Constraining Factors

Interaction System

Negotiating Strategies
- Forcing
- Fostering
- Escape

Negotiating Processes
- Distributive and Integrative Bargaining
- Shaping Attitudes
- Managing Internal Differences

Negotiating Structures
- Number of Parties, Frequency of Interaction, Levels Involved, Degree of Centralization, etc.

Outcomes

Substantive
- Wages and Benefits, Work Rules, Language on Employment Security, etc.

Social Contract
- Workforce: Compliance vs Commitment
- Union-Mgt.: Containment vs Maintenance vs Partnership

For more information on the above slides, see Richard Walton, Joel Cutcher-Gershenfeld, and Robert McKersie, Strategic Negotiations (Harvard Business School Press, 1994)

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