

**CIVIL SOCIETY EMPOWERMENT**

Conflict Resolution  
**Conflict Resolution**  
& Negotiation  
**Negotiation**  
**in Organizations**

**PASSIA**

**Palestinian Academic Society for the Study of  
International Affairs**



**CIVIL SOCIETY EMPOWERMENT**

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**Conflict Resolution  
& Negotiations**  
in Organizations

A Handbook

Based on a PASSIA Training Course



**PASSIA**

**Palestinian Academic Society for the Study of International Affairs**

PASSIA, the Palestinian Academic Society for the Study of International Affairs, is an Arab, non-profit Palestinian institution, with a financially and legally independent status. It is not affiliated with any government, political party or organization. PASSIA seeks to present the Question of Palestine in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavors that its seminars, symposia and workshops, whether international or intra-Palestinian, be open, self-critical and conducted in a spirit of harmony and cooperation.

PASSIA's *Civil Society Empowerment through Training and Skills Development* program has been designed to provide training seminars for Palestinian NGO professionals, practitioners and university graduates, with the aim to improve their operational abilities. It is hoped that this will enable them to deal more efficiently with the tasks ahead in their civil society.

This publication contains the proceedings of the Training Program on *Conflict Resolution and Negotiations in Organizations*, which was conducted by local and foreign experts in the field.

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## INTRODUCTION

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PASSIA's *Civil Society Empowerment through Training and Skills Development* program arose as a response to the need in Palestinian society for the establishment and running of effective organs of civil society. Aimed at imparting a solid theoretical background as well as fostering essential practical skills, the program was designed to play an important part in the development of decision-making skills, personnel management skills and negotiation skills vital in the achievement of both individual and organizational goals. It is the human resources that make up the fundamental pillar of Palestinian civil society and are essential in the development of any stable society. To further equip Palestinian professionals, graduates and practitioners for the challenges inherent in fostering such a society domestically, PASSIA has established a series of seminar and workshop based training courses which incorporate theoretical and practical training in areas relevant to the present and future role of Palestinian civil society organizations (CSOs).

Each of the seminars PASSIA runs as a part of this training program includes three interrelated activities:

1. *Preparation.* One month before the training program begins, participants are provided with preparatory reading material gathered by the PASSIA Project Team in coordination with the trainers and lecturers. The participants are also required to write a short paper on an issue related to the course subject.
2. *Intensive Training Seminar.* Trainees attend a five-day lecture program conducted by local and international experts. The lectures range from theoretical concepts to functional skills, exercises and case studies, whereby the participants are continuously encouraged to apply what they have learned to the institutions with which they are involved.
3. *Follow-up Program.* The intensive seminar is followed by two workshop days, concentrating on skill enhancement. The major goal is to link and apply the skills learned to actual issues of concern in the participants' working environment. Participants prepare for the workshops by completing practice-oriented writing assignments.

## **CIVIL SOCIETY EMPOWERMENT: CONFLICT RESOLUTION AND NEGOTIATIONS**

In the following pages PASSIA presents a transcribed and slightly modified version of the proceedings of the ***Conflict Resolution and Negotiations in Organizations*** seminar program which took place from 24-28 May 2000 in Jerusalem. This is hoped to serve both as a brief and multifaceted introduction to the issues addressed during this course, as well as a record of the event. The intention is not to replicate the seminars *per se*, as by their very 'workshop-style' nature they do not immediately lend themselves to print. However, by giving the reader a brief window on some highly varied methodologies and analyses, it is hoped that a broad, if limited, survey of the complexities of conflict resolution has been achieved.

As the training program aimed specifically at those concerned with organizational development and supervisory tasks within CSOs, the individual seminars focused on enabling the participants to understand the nature, characteristics, and stages of conflicts as they relate to the work place. The de-escalation of conflicts and methods by which to approach their analysis and resolution were discussed and demonstrated by means of practical role-playing exercises over a week of intensive seminars and workshops attended by 18 participants.

The lecturers whose work appears herein were chosen with diversity in mind and as part of an effort to present the latest and most interesting work in the field. Represented are the views of international as well as local figures, whose fields of expertise range from Islamic law to psychology and combine to give the study as broad a scope as possible.

### **THIS PUBLICATION**

The following report is meant to be used as a handbook and, as such, PASSIA hopes it will allow for the widest possible dissemination of the course material and instructions amongst the Palestinian CSO community. The aim is to provide a practical tool that will empower a large number of NGO practitioners with knowledge and skills from which they can clearly benefit.

*The PASSIA Project Team  
September 2000*

# 1

## CONCEPTS AND METHODS OF CONFLICT RESOLUTION

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Dr. Chip Hauss<sup>1</sup>

### OVERVIEW

One of the important things in conflict resolution is **thinking**; the reason for this is threefold:

1. when encountering a situation of conflict we often panic, and this stops the thinking process;
2. when we think about a conflict we usually follow a certain pattern, which limits our horizon;
3. solving or improving a conflict requires alternative ways of thinking.

All conflicts involve differences, which could result from the following:

<b>Interests and Val- ues</b>	1. <i>Communication-Information</i> disagreement about facts, perceptions or values
	2. <i>Behavioral</i> conflicts can turn violent; on an international level conflicts may lead to war;
	3. <i>Emotional</i> (the most difficult component) decrease in happiness, fear, anger, frustration

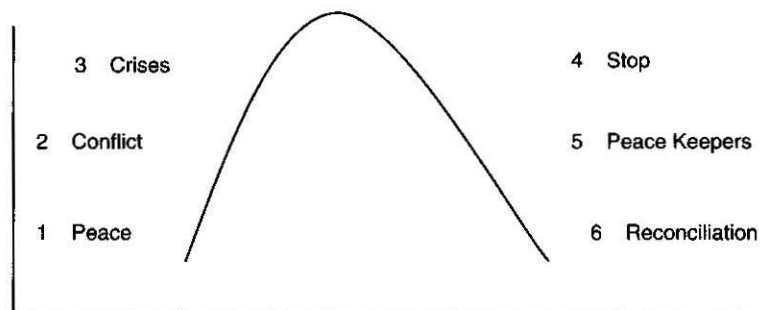
One should also always bear in mind that every conflict has **outcomes**, which could take the following forms:

- Conflict could be destructive: *lose-lose*.
- Conflict could reach an *impasse*.
- Conflict could be an opportunity for growth and improvement: *win-win*.
- Conflict could result in a *win-lose* situation, the most common outcome.

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<sup>1</sup> Dr. Chip Hauss is Professor of Political Science, George Mason University, Washington, DC.

The word crisis is derived from the Greek word 'Krisis', which means turning point. A crisis can be a danger or an opportunity and occurs in every conflict's *lifecycle*, which usually consists of the following stages:



Example:

- Point 1: France and Germany.
- Point 2: Preventive diplomacy, the best stage at which to begin involvement.
- Point 3: Violent confrontation or war.
- Point 4: Cessation of the confrontation; a no-win situation occurs at the point where both sides know that they will not win.
- Point 5: The unhealthy situation where the peacekeepers or crises managers try to salvage as much as possible.
- Point 6: Reconciliation.

**Reconciliation** takes a long time and, as history suggests, only rarely occurs. We should bear in mind the following points when discussing reconciliation:

- It may not happen;
- time
- justice and satisfaction;
- memory;
- anger;
- fear;
- the future.

### **SOURCES OF CONFLICT**

All conflicts have two sets of **sources**. The left side of the following column lists *objective* differences that are usually beyond our control, but are often the root of the conflict. The other side of the chart lists *subjective* elements of conflict, many of which involve emotions.

Objective	Subjective
Different Culture	Anger
Different Language	No serious discussion
Power Imbalance	Desire for control
Occupation	Greediness
International Community	Injustice
History	Hatred
Priorities	Assumptions
Values	Mistrust
Interests	Anger
Pressure	Fear
System and Status	Perception
	Jealousy
	Not Listening
	Image of the Enemy

Examples of objective differences are history, culture and language, i.e., factors that cannot be changed. In addition, factors such as occupation become part of the structure in which the conflict operates, and thus are very difficult to change.

People also have objective differences in values, priorities and interests. For example, a vast amount of the population of the United States own hand guns; they have an interest in possessing these weapons; they feel they have the right to do so, and they value this right. On the other hand, children are killed every day by guns, and many people now have an interest in getting rid of these guns. As a statistic of comparison, there are currently 13,000 McDonalds Restaurants in the USA and 120,000 legal gun dealers. Americans, therefore, have a conflict of interest over the possession of guns.

Similarly, power imbalances produce conflicts, especially when they shift. One basic tenant of the field of international relations states that whenever one country gains power, the system becomes destabilized. With regard to the Palestinian-Israeli case, the fact that the Israelis are more powerful and much wealthier is very important from all perspectives. The fact that Arabs outnumber Israelis is also important, for Israelis view this as a kind of power imbalance. The objective sources of a conflict are usually not resolved until the end, when much pressure is applied.

*Subjective* elements of conflict often involve emotions. For example, injustice is often something personally felt and therefore listed under the subjective side. Historians tell us that when peoples' situations begin to improve they begin to realize how far behind they are, and one of

the emotional responses to this is anger. Psychologists tell us that hatred and fear are actually variations on the same emotion. One can disagree with a certain person, without hating him or her unless there is also fear of him or her. These two emotions coincide most markedly when serious misperceptions result from the crossing of cultures and languages.

When Iraq invaded Kuwait just prior to the Gulf War, the American Ambassador met with Saddam Hussein and the rest of the leaders in an attempt to resolve the conflict, but the main problem was that neither of the two sides understood where the other was coming from. Both sides were motivated not so much by the desire to be the most powerful, but by the desire to not be the least powerful. What is jealousy other than my fear of what you have? Whether we are talking about a family dispute or an international dispute, a degree of jealousy and the desire for control lead to a lack of *serious* discussion, not just sitting down and talking. The Israelis and the Palestinians spend a lot of time talking, but I doubt that any real listening or real communication has occurred.

Another aspect of subjectivity is the ***image of the enemy***. Psychologists tell us that the enemy is not simply someone with whom you have a dispute, but someone who invades your values. A person and I could disagree, but I make him my enemy. President Reagan, for example, called the Soviet Union "the focus of evil in the world", the Ayatollah of Iran called the USA "the Great Satan", and the USA called Saddam Hussein "the Second Hitler."

In making someone an enemy, we do the following:

1. turn him/her into a stereotype, such as "the focus of evil in the world;"
2. reach the conclusion that we are blameless and that he/she is responsible for the problem;
3. wait for the other side to take the first step. If both sides are waiting for the other to take the first step, they end up in a cold war.

We all know that what keeps the Palestinian-Israeli conflict unsolved has much to do with the basic *subjective* values and assumptions listed above, which emerge as a root cause for almost every conflict, ranging from racism to organizational conflicts.

An important element in this is ***language*** or the way of expressing things. For example, instead of saying, "I hate you for what you've just said", it is far more constructive to say, "When you say...I feel..." By this method one takes responsibility for what he/she feels, which

makes us open to the other person. Instead of thinking in terms of making concessions, it is better to reframe the problem.

### **CONFLICT & CONFLICT RESOLUTION**

When getting into a conflict one should follow the following steps:

1. work to solve the problem;
2. do not use violence of any form;
3. do not treat the other as an enemy or use ill will;
4. use good will.

Let us use the student-teacher relationship to illustrate this last point. It is very common for a student to come to a teacher. Of course, the teacher has other priorities and wants the student to get out of his office as soon as possible. Teachers should be very positive, and when in conflict with a student over a grade, for example, they should use good will and let the student know that they share the problem. The teacher should say to himself, "I am going to treat the student with dignity and respect. The student knows that I am giving the grade, and she or he knows that I can do nothing about the power imbalance. If I treat the student with good will and demonstrate willingness to re-address the problem together, attitudes on both sides will improve."

With regard to the Israeli-Palestinian case, it is important that you as Palestinians concern yourselves not only with your own future outcome, but also with the future of the Israelis as well, for their situation will affect you.

Mediators can sometimes be very helpful but their impact depends on the situation. In my research I reached the surprising conclusion that the role of third party **mediators** is pretty uncertain and that some conflicts are best resolved without mediation. George Mitchell, who took part in the Northern Ireland talks, for example, was very effective and his role was useful. Richard Holbrooke on the other hand, who was involved in the Bosnian Conflict, did not succeed. His main mistake probably was that he eliminated the Bosnian Serbs from the negotiations.

It is important to **make initiatives** and take action. Conflict participants have to see the benefits of resolution if they are to remain with the process, as do the communities they represent. Encouraging each participant to see the conflict from the point of view of the other is also helpful in understanding the issue from the various perspectives.



Sometimes certain details are more important to one side than the other and can be granted as **concessions** relatively painlessly. For example, if a student who has gotten three Ds on three papers gets a B on his last paper and thinks that he deserves a B-plus, I am more likely to give him that B-plus. The difference will not change his average grade, but will give him a sense of personal satisfaction.

The most interesting cases are the ones in which the stakes are high on both sides and where the outcome of each affects the other. It is these cases in which **cooperation** is most possible and aggression is most counterproductive. In a company, for instance, workers, managers and decision-makers all operate under a system called the 'feedback process.' Furthermore, the company as a whole operates in an environment that involves customers, suppliers and contractors, competitors and the community. Poor relations among any of these will detract from the success of the company, whereas good relations promote such success.

Let us **summarize**:

1. Conflict in an interconnected world is inevitable and unavoidable, whether in people's lives, or between countries or organizations.
2. People do not usually approach conflict systematically.
3. Conflict resolution may not accomplish lofty goals, but preventing the situation from deteriorating and improving the handling of the problem are both important accomplishments.
4. Although each party seeks benefits, only those based in the long term will prove ultimately sustainable. In the Palestinian-Israeli conflict, both sides seek a long-term benefit that I call 'justice for both sides'.
5. The only way to achieve this is through a different kind of process than that which we usually see in political life, whether the politics involves countries, businesses, hospitals or NGOs. A dialogue involves the process of sitting down, talking with people and reaching some kind of agreement and reconciliation.
6. We have to view and address conflict at the following levels:
  - the *cognitive level*: the ways in which we view conflict often involve perceptions, misperceptions, stereotypes and misunderstandings, especially across cultural lines;
  - the *behavioral level*: this is often the easiest level on which to operate, as behavior can be easily addressed; and

- the *emotional level*: the emotional side of a conflict often involves feelings such as fear, hatred, and anger.
7. Conflicts can always be addressed, but they are not always possible to completely reconcile or resolve. Books which attempt to provide guidelines for conflict resolution, may provide some ideas about resolving conflicts, but these do not always work.

## CASE STUDIES

Let us discuss some of the participants' conflicts as examples.<sup>2</sup>

- Case 1: Participant A works in a business-oriented organization and is in charge of marketing a certain product. Competitors imitated this product, and A tried to convince her boss that they should act in response. A presented the boss with a written alternative plan, but the boss ignored her. After a short period of time the company started to lose money, and although A's boss tried to make a plan to salvage the situation, the damage had already been done. In addition, A was blamed for all that had happened.
- Case 2: Participant B's problem and conflict is Israel and encounters with Israelis through her work. She says: "we know our rights, we know what Israel does and we know that Palestine is and has historically been ours. We understand that there is another people living with us: we recognize that they exist and we accept the fact that they live with us, but they do not accept us."
- Case 3: Participant C started recently working as a PR officer at a university, and attempted to impose new regulations requiring that each employee report to work on time. The workers rejected this change, as they were accustomed to coming in late. The general manager supported C, and after a period of time the employees began to accept the new regulations.

**Communication** is missing in each of these three cases, and out of communication, trust. There are times when learning facts is very important, but in these three cases missing information was not the critical factor. When speaking of trust one should bear in mind that trust is something that builds or deteriorates.

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<sup>2</sup> As part of the reading period prior to the training program the participants were required to prepare a short paper assignment, with the following instructions: *Discuss with reference to the pre-course reading and your own personal experience a conflict that you were (or are) involved in and that did not end well (so far).*

For example, if I tell you that I am Jewish, what assumptions do you make? Probably that I am here to influence you, that there is something wrong and suspicious going on; immediately there is mistrust.

What should we do then? We basically should seek to understand and to stop making assumptions and rather look at ourselves as a part of the problem and discuss it. While doing so, we should not give up what we truly believe but yet be constructive and seek solutions that relatively satisfy both parties – i.e., we should build trust.

One should always find common ground for **constructive dialogue**, as in any conflict all of the parties contribute to the problem. With regard to Participant B's problem with Israel, one can agree with any of the facts listed in the paper but it fails to see Palestinians as part of the problem, which is solely attributed to the Israelis. Even if they are responsible for 90% of the problems, the Palestinians are responsible for the remaining 10%.

With regard to Participant A's intra-company conflict, there are always things that we can do even if the manager is not responsible. We are realizing that hierarchy is not an ideal management structure, and we all know that a general manager is always very busy, but there are ways to move the issue up on his agenda. In my university department, for example, there are 25 full-time faculty and 25 part-time faculty so the head of our department is extremely busy. If I simply tell him something he will soon forget it but I know that he responds best to e-mail, so for important matters I send e-mail not to his account at work, but rather to his account at home.

Regarding case 1: how is the boss going to be approached?

As a general principle, for a dialogue to work one has to open up all the assumptions and make the hidden agendas public. Otherwise more mistrust is created (rather than more trust). The boss must be approached in the way that best allows him to respond positively, i.e., the setting must be found in which the boss is most comfortable, and then he must be made to pay attention in a friendly way. Remove all or as much of the threats to him as possible, for in fact he stands to lose as well. Offer alternatives in a way that is neither threatening nor pushy.

Any successful organization that deals well with its conflicts works best when based on effective relationships, where the manager assumes that his workers are doing a good job and the workers know that if there is a problem they should and can talk to the general manager about it. Because the manager does not have the time to talk to every employee and deal with every problem, working relationships must first

be built. When discussing a problem assume that you are part of the problem yourself, and be sure to present it in a way that is not threatening to the other person. Remember that your boss is more powerful than you are.

Your objective is not only to find common ground or an alternative, but to understand the core of the problem. In this case, it may simply involve making your case loudly enough for him to hear. **Communication** is a two way process; the other person has to listen and you can facilitate this, even when the necessary dialogue is not pleasant. Remember also that you have the final option of leaving and taking another job. To state simply the alternatives; one can be loyal to his/her work, engage in dialogue or exit. All three options involve risk.

Dialogues are difficult. A dialogue is, as Yankelovich<sup>3</sup> describes it, a discussion so energized that neither party leaves it in the same way they went in.

None of the conflicts mentioned above will be solved between now and the year 2003, but we can begin to improve the situation.

- **Case 4:** Participant D, a head teacher, introduced embroidery to a curriculum. One of the pupils forgot to tell her parents about this new activity, and when the time came to collect the handwork this pupil had nothing to turn in. The head teacher and the embroidery teacher asked the pupil to bring in her project the following day, and told her that she could ask her mother for help if she was unable to finish on time. The following day the mother came to the office of the head teacher, and began shouting and calling her bad names. Finally, the head teacher had to tell the mother to get out of her office, and the mother wanted to complain to the area officer. (According to the head teacher relations with the parents of students are normally good).

To analyze this case, the first question is, who is involved? There is the head teacher, the embroidery teacher, the pupil, her family, and the area officer.

In this case knowledge does matter. The family has one set of information, the head teacher has another, and the two sets are incompatible. The best thing to do in such a situation is to let the mother yell and shout until she finishes; once she has grown tired of shouting she will be more willing to listen, at which point you can explain your side of the misunderstanding. The head teacher can tell the mother that she un-

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<sup>3</sup> Daniel Yankelovich, *The Magic of Dialogue – Transforming Conflict into Cooperation*. New York: Simon & Schuster, 1999.

derstands her anger, and then ask what she thinks they together can do about the situation. The first objective is to try to make sure that both parties are working with the same information. The next step is to engage in re-framing, since the head teacher's position is to defend the teacher and the school and the mother's to defend her daughter. These positions are rather rigid, and both sides need to be able to view the situation from a different perspective.

Furthermore, the fact that the head teacher threw the mother out of her office means that she got angry as well. This is quite normal, for the situation was unpleasant and insulting. What, however, could she have done instead?

The resolution of this conflict involves two aspects: the first is learning how to prevent such conflicts from occurring in the future, and the second is how to repair the damaged relationship, since the parents, the student and the teachers will all have to continue working together.

## **DEALING WITH AND PREVENTING CONFLICTS**

The following points are helpful in dealing with tense and angry situations:

1. *Try to prevent the conflict from becoming personal.* When the people in conflict hate each other and call each other names, they are each making personal attacks on the other and are not open to resolution. The first objective in this case is to separate the people from the problem.
2. *Move away from the specific positions being states,* and phrase the question in a broader way. In the above case, for example, ask the mother what she really wants for her child. The underlying cause for the mother's distress may even be unrelated to embroidery; the family might be new to the village, for instance, and might be having a hard time fitting in. In this case the mother might reveal that her fundamental desire is for her daughter to be happy and to learn, at which point the teachers and parents together can discuss ideas and alternatives for achieving this mutual goal.
3. *Try to find ground for building trust* in the relationship, or at least a sense of commonality. If the family is new to the village, for example, and you as the teacher are also from outside the village, then you might share some of the same feelings and frustrations, which can bring you closer together.

4. If possible, *tell the other side that you understand his/her point of view*, but that you do not know what you can do about it at the moment. With regard to the case, for instance, ask the mother to come back that afternoon, or the next day, or whenever you think she will have calmed down. At the same time, make it very clear that you are taking her seriously.
5. *Listen deeply*. Unfortunately, when the other party is speaking we all have a tendency to plan our response, rather than listen to what they have to say. You will be able to formulate a better response, however, if you take into consideration everything that the other side is presenting.
6. *Do not let rumors, assumptions or preconceptions cloud your perspective*. In the above case, both the head teacher and the parent fostered assumptions about the other or about the school, and these need to be brought out into the open. This can be done by empathizing, putting yourself in the other person's shoes and asking yourself what motivates their behavior.
7. Finally, one needs to *establish closure*, so that both sides can move beyond this conflict. The first thing to do in the sample case is to apologize and to take responsibility for one's own actions. This should be done in such a way that the other side knows you are sincere, and you should not give up what you believe in. In your case, the apology could be phrased in this way: "I am really sorry that we ended up yelling at each other yesterday." You do not have to apologize face to face; you could call her and say "I am terribly sorry, this conflict should not have happened. The school still believes very firmly that your daughter should have done the embroidery on time, but next time we can find a better way of dealing with these differences. I am sorry that I lost my temper, now let us move forward."

After a conflict has been closed, one can engage in '**Preventive Conflict Resolution**' to ensure that such conflicts do not reoccur in the future.

First, the following are some general principles and techniques to help initiate dialogue and prevent a conflict from becoming personal.

1. When the two parties are not able to solve their conflict alone then they bring in a *mediator, a facilitator or an arbitrator* to assist them. This person has to be fair, and for this reason Americans are not the best mediators in the Middle East, being perceived as pro-Israeli. Even the mediator of a conflict is part of the process, and

therefore has the potential to be part of the problem. Mediators must monitor their own behavior and think carefully about their actions.

2. Any kind of relationship usually involves *power*, and all parties must be aware of whether they are using this power constructively or destructively.
3. It is vital that conflict resolution processes consider the peripheral as well as the specific aspects of the conflict if the solution is to be lasting. *Justice* is particularly important, for an unjust resolution will only lead to more conflict. Divorce cases, for example, involve more than just the husband and wife - the children, the property and the settlement all must be taken into account.
4. *Communication* is the key, without which a settlement cannot be reached.
5. Neither side should expect the other to act in a trustworthy way during the *negotiation*.
6. Good conflict resolution is not a process of compromise, but generates an outcome that should reasonably satisfy each party. It is important to reach a *consensus*, or at least a substantial overwhelming majority who agree to accept the resolution. This can be accomplished by building support over time through dialogue and discussion, and the result will be an integrated solution.
7. The conflict does not have to be solved all at once, for often a *step-by-step process* is more productive.

If you as an individual uphold the following principles you increase the chances of reaching the best possible outcome, even if the other person in the conflict does not participate:

- committing yourself to solving the conflict;
- committing yourself to solving it in a non-violent way, both physically and emotionally;
- not treating the other person as an enemy;
- taking the initiative.

## 2

# AN INTRODUCTION TO THE PSYCHOLOGICAL ASPECTS OF CONFLICT RESOLUTION

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*Dr. Ahmed Baker<sup>1</sup>*

### **PREDICTION AND EXPECTATION**

When we talk about conflict resolution, it is very important to note that the worst conflict occurs within the self. Conflict with others can be handled in one way or another, but conflict within the self is complicated. Psychology, the study of human behavior, is more scientific now than in the days of Freud, and includes many complicated aspects. The core of psychology, however, is about predicting and understanding behavior, which is also the objective of conflict resolution.

At times it is possible to predict behavior, and at other times it is not. The following two exercises will illustrate this point.

#### **Exercise 1:**

One participant leaves the room, and the remaining participants choose an object in the room. The instructor has a few words with the one outside, who will return and know the object chosen.

The participants choose a map.

The participant comes in and is asked to identify the object that his colleagues chose.

Is it this recorder? - Participant: No

Is it my shirt? - Participant: No

Is it this glass? - Participant: No

Is it Mohammed's shirt? - Participant: No

Is it Amany's bracelet? - Participant: No

Is it the map in the middle? - Participant: Yes

(The group repeats the exercise with those in the room choosing a book called 'Palestine. The participant outside once again guesses the correct object, after being asked about some other objects).

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<sup>1</sup> Dr. Ahmed Baker is Professor of Psychology, Birzeit University, Birzeit (West Bank).

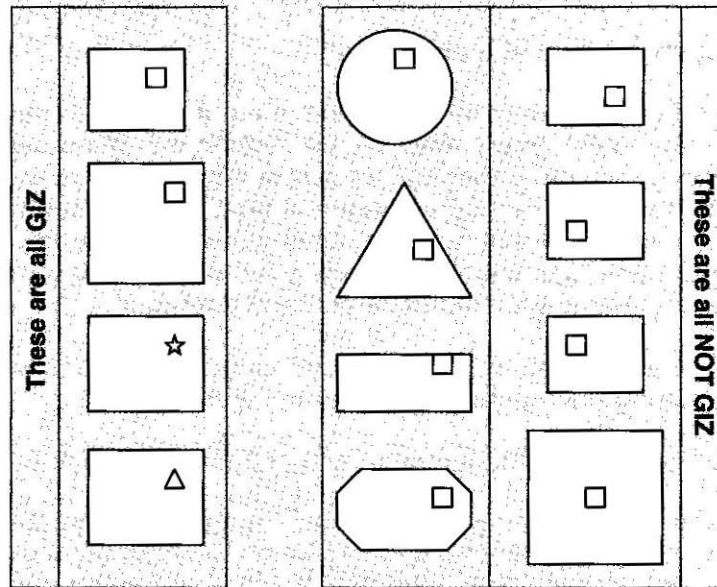


**Exercise 2:**

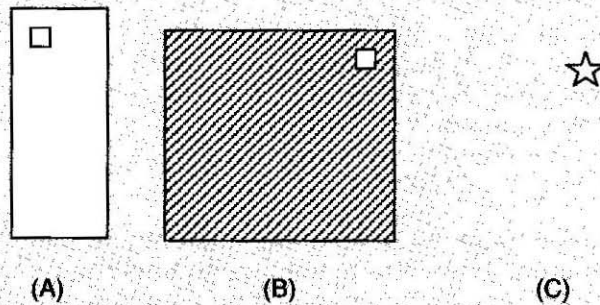
**Instructor:** I have a concept called GIZ. Do you know how to identify GIZ?

**Participants:** No.

**Instructor:** I predict that all of you will know how to identify GIZ. I will draw some things, and will indicate whether or not they are GIZ. I will not give you any other indication, therefore you should all pay attention.



**Instructor:** Now I will test you. Which one of the following is GIZ?



**Participants:** Most choose B.

Instructor: B is correct. Now can you define GIZ?

Participant: GIZ is a rectangle with any small shape (rectangle, star, triangle...etc) in its upper right corner.

Instructor: Why did you guess about the meaning of GIZ now, when you were not able to do so before? That is psychology. This is how we can predict behavior.

In conflict resolution it is necessary to **predict behavior**. In order to predict behavior the following factors are important:

1. one should have enough information;
2. one should be able to follow a certain pattern;
3. the pattern should be systematic.

In Exercise 1 above, I made an agreement with your colleague that the object you choose would be the third object I would name after naming a white object. We agreed on a system, without which he could not have predicted the correct selection.

In psychology, many factors play a role in predicting. A social person affects and is affected by his or her environment, a two-way process that occurs on both perceivable and non-perceivable levels.

The following scenario will illustrate this point. A family consisting of a doctor, his wife and their little baby are all sleeping. At midnight, the baby starts crying. The mother wakes up immediately, while the father continues to sleep. After one hour, the phone rings. This time, the doctor wakes up immediately, while the mother stays asleep.

The important factor here is **expectation**, which enables us to become aware of certain things. The doctor expects the phone to ring. The mother expects her baby to cry. Expectation is useful in conflict resolution. Expectation enables one to achieve prediction. People often fail to notice things that they do not expect. We as humans are programmed not to be aware of everything, for this is impossible. There is a mechanism in our central nervous system that blocks certain events and allows others to pass through, depending on the importance of the event.

Examples: During the Intifada, one of the youngsters sees an Israeli soldier and runs away. He jumps over a wall and injures his leg; however, he does not feel the pain and he does not notice that it is swelling. When he arrives at a safe place, he begins feeling the pain. If he had noticed the injury immediately after jumping the soldier would have caught him.

Similarly, if I am walking in Paris and one of you passes by me, I will not notice him or her because I am not expecting any of you to be in Paris.

Therefore, expectation is a very important factor in psychology. With regard to conflict resolution, each side must understand their own expectations and how they affect their behavior, as well as understanding the expectations of the other side.

In addition to prediction and expectation, the third principle of psychology is motivation.

## **MOTIVATION**

There is no behavior without motivation. Behavior is not spontaneous. Motivation can be external or internal.

### ***Internal Motivation***

1. The strongest and most important motivation is receiving *attention*. We as human beings are willing to do strange things in order to receive attention from others; we cannot accept being ignored. Therefore the option of ignoring, of not paying attention, is a powerful instrument of prediction and control. If you do not like certain behavior from the other side, the worst thing to do is to argue with them. You will become exhausted, and the other side will be happy. Attention can be used either to your advantage or to your disadvantage. I can reinforce desired behavior on the part of the other side simply by paying attention to it. Attention is a tool that must be employed with discretion, especially in conflict resolution. Attention is universal.
2. *Rejection*: Rejection is also a universal factor, for no one likes to experience emotional rejection. For example, if you and I are friends and I suddenly tell you that I do not want you to be

my friend anymore, you will feel hurt, anger and hostility at this rejection.

3. *Power and sex*: Sex does not mean sexual intercourse. People who work in marketing analyze these factors when advertising products. Have you ever seen a TV commercial without some sort of sexual implication? Of course not. Sex is a very important drive, which Freud understood. One should also examine his or her own self to see what motivates him or her. The other inner motivator is the feeling of power. People will do anything to be in power, because it satisfies and fulfills certain needs. Power and rejection are very dangerous, however, and if you misuse them the other side will resent you.

### **External Motivation**

External motivations are often associated with internal motivations. One example of an external motivation is money. The reason that people desire money, however, is because it provides for most of their needs. External motivators vary according to different people.

Motivation lies behind every behavior. To understand a person's behavior, you must ask yourself what he is hoping to gain. In most cases, this gain is internal. In order to predict these internal needs, you have to have information and a pattern. In order to be able to obtain a pattern you have to observe. *Observation* is not only external, but also includes underlying factors known as 'hidden observation.'

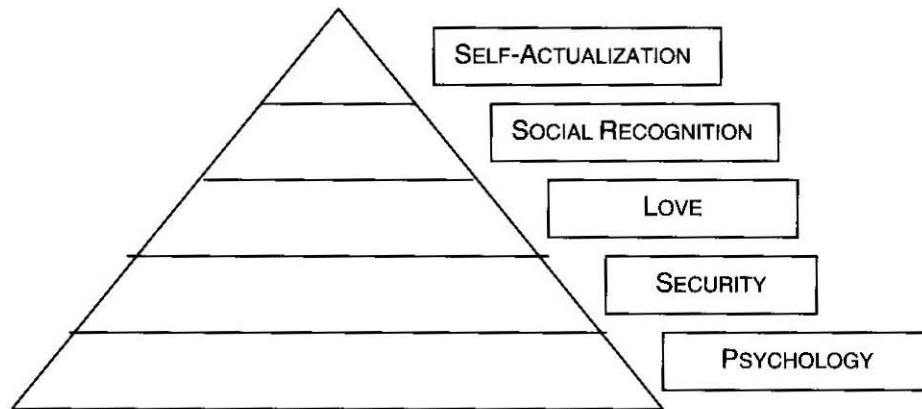
The ability to observe is not easy, and can be achieved only by practice. One must listen more than one speaks. Furthermore, listening is not simply hearing, but involves attention. One must also observe the non-verbal gestures of others. Observation is very critical in conflict resolution.

### **THE PERSONALITY**

All contemporary theories about the personality are of western origin. I believe that while some theories on personality apply to those of us in the 'east', others do not. Every theory has a basis, and does not evolve from a void. Freud's theory of personality is based on sex, and states that behavior is based on internal motivations, one of which is libido. Although Freud's theory has been proven inaccurate, it is the only comprehensive theory to ever have been presented.

The personality has many definitions, but in general it represents a fixed pattern of behavior.

Maslow's theory discovered another aspect of human beings, which is the Psychology of Being.



Self-actualization is a moment; it is not a lasting or stable state. Self-actualization is the situation in which a person has no other need. In the moment of self-actualization, the person has no self-conflict, has no need and does not feel that he or she is impotent.

The term self-actualization is not often used in conflict resolution, because a person who has achieved self-actualization is not in conflict. He considers himself to be a universal human, and is spiritually saturated. Conflict involves a central need for social recognition. Maslow's theory is not a theory of the personality, but rather a theory of internal needs. It is more universal because it was taken from the eastern culture. People who are not at the stage of self-actualization are the ones who go into conflict resolution, and the conflict is often over social status. Behavior is not hereditary, but the readiness to adopt a certain behavior can be as the presence of certain factors can lead to adopting such behavior.

When seeking social status you understand only your own needs and not the needs of others. By putting yourself in perspective you will acknowledge the conflicts both with other people and within yourself. The

next step is to identify the type of conflict between you and the other person and within yourself. Most of the time our conflicts are associated with our needs. To solve a case of conflict with another person you have to pass the stress stage. The stress stage appears before the problem itself, but the fear of the thing before it happens creates stress. In conflict resolution you first have to find a way to understand yourself and understand the other person, which again employs the skills of listening.

A second theory of the personality is called 'individuation', which holds that every person desires to attain an individual identity. Western societies are based upon individuation. Our eastern societies, however, are based on collectivity. Asian, African and Latin societies are collective, and their origins are tribal. The individual in these societies is less important than the collective. The self is defined as a society, rather than as an individual. In western societies the opposite is true; the individual is the most important element.

All personality theories currently available in the world are based on individuation, which developed after the state started taking on some of the tasks of the tribe. If the state is absent, the best solution is the collective society. Individual concepts can not be applied to collective societies, for the collective personality is very different from the individuated personality. The individuated personality can be envisioned by the above theories, but in a collective society the individual has no critical consideration; he is part of the larger existence which is the group. The survival of the individual is based on the survival of the group. Therefore conflict resolution between individuals in a collective society does not occur between the individuals themselves, but between the groups.

Democracy means nothing in a collective society. Being in a collective society means trading personal freedom for social support and protection. In an individuated society you achieve personal freedom, but you do not get social support. Both societies have certain advantages and disadvantages, but the important point is that the behavior of the individual in both types of society is different. The personality of the individual in a collective society is different from that of the individuated society; each has different psychological dynamics. In an individuated society the individual feels guilt, in a collective society the individual does not feel guilt, he or she feels shame.

The individual in a collective society deals with conflict resolution by either adapting and adjusting to the norms of the society because the

individual is helpless (which does not necessarily mean he or she agrees with these norms) or by gossip to relieve the tension.

Therefore, when we think of conflict resolution in a collective society we have to perceive it from an oriental or eastern perspective. Conflict resolution in our context is reliant on certain causal psychological factors being addressed as well as the development of an awareness of the psychological factors involved in negotiation and understanding that facilitate the process of resolution.

# 3

## MEDIATION SKILLS AND TECHNIQUES

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*Dr. Andrew Rigby<sup>1</sup>*

**T**his presentation will focus on mediation skills. I am going to present a model of a mediation session based on British practice. This model is particular to the British culture, but I think that you will be able to find parallel applications in your culture.

I would like to start by introducing what comes to mind when the word mediation is mentioned:

- Third party
- Facilitator
- Middle person
- Overview
- Impartial

The role of the mediator is to create a safe space where people in conflict can undertake a process in which the conflict is transformed into a problem that can be solved.

Mediation can also be inappropriate, especially when both parties are determined not to reach a settlement. Conflict in itself is not bad; it is part of the struggle for justice. Mediation is not the only way to solve conflict.

As a mediator, you should try to do the following:

1. Create a sympathetic and supportive environment that helps people relax and focus on issues.
2. Try to develop rapport and trust with both parties involved.
3. Let others speak and listen with attention.
4. Try to convey an understanding of and respect for each person, regardless of their beliefs, words, or conduct.

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<sup>1</sup> Dr. Andrew Rigby is the Director of the Center for Forgiveness and Reconciliation, Coventry University, UK.



5. Be able to summarize concisely the essence of each party's views.
6. Be able to state clearly the basic problems and issues, rather than focus on personalities.

Many participants in conflicts try to dehumanize the other side. People resort to mediation because they want to resolve a conflict. They begin to see their adversaries as human beings.

## **MEDIATION STAGES**

Mediation is a process with various stages. The mediator chairs the session and runs it as follows:

### Stage 1: Opening statement

Set the tone, welcome the people, thank them for coming (it is not easy to expose oneself to the uncertainties of mediation), explain the ground rules (no abuse, no violence), explain the procedure (uninterrupted time, exchange, agreement building).

### Stage 2: Uninterrupted time

Each party gives its own view of the conflict without interruption; the other must listen, without interruption by the mediator except to remind them of time constraints, five minutes for each. After each party speaks, the mediator summarizes what they have said (one minute summary for each party). It is the mediator's responsibility to time the session.

### Stage 3: Exchange

Parties speak to each other for the purpose of responding to issues and accusations and releasing emotions (without abuse). The mediator's responsibilities include timing the session, making sure that one party does not dominate, beginning to identify the core issues and trying to create the will to settle; that is, moving people from accusations about what happened in the past towards what might be desirable in the future. If you think that you have achieved this will, move on to the next stage.

### Stage 4: Building Agreement

Encourage the disputants to find their own solution, guide them to concentrate on the future rather than past ill feelings, incorporate the needs of both parties (check if a win-win outcome is possible), and agree on a course of action.

### Stage 5: Formalization

Write and sign an agreement.

## ROLE OF A MEDIATOR

The role of the mediator consists of the following:

1. Prepare the room and the seating arrangements.
2. Prepare the welcoming statement and agree on divisions of work.
3. Take notes during the process and ensure uninterrupted time.
4. Summarize and restate what was presented by the two parties.
5. Encourage the parties to identify behavior/structure and introduce the changes they would like to happen.
  - It is their problem- after listening to the other side, ask if they have any solutions.
  - Suggest "what if" scenarios.
6. Attempt to get parties to review advantages/disadvantages of any tentative agreement.
7. Write out the agreement and obtain signatures. Make sure that the agreement is as specific as possible, allow for review or progress in the future, and identify points of disagreement still to be resolved.
8. Prepare a closing statement

### **Exercise:**

#### **Organizational Conflict – Mediation Role Play**

In the following exercise participants are asked to play the role of the mediator between the two parties involved in an organizational conflict. They are instructed to take notes while doing the job of all the above mentioned rules of mediation.

#### **Instructions** – (position of the parties involved):

##### • *Position of the manager:*

1. You are an experienced manager who has been appointed to take charge of a rural economic development agency that has been in existence for five years.
2. Before your arrival the agency had been very loosely organized, with no clear lines of management, accountability or divisions of labor. It was staffed by enthusiastic young people with good intentions but little practical experience of running an organization.

3. There have been complaints by funding agencies and other important partners that they have found it difficult to get clear answers to queries and that they have suffered serious delays in decision making.
4. Your task is to take this organization on to a new level of efficiency and competency, establishing a clear line of management and divisions of labor, and efficient decisions-making systems. If you fail in this, you fear the agency will degenerate into a nest of patronage, corruption and gross incompetence.

● *Position of the staff:*

1. You have been working for a rural economic development agency for five years. There is a group of you who has been with the agency since it started. Part of your job is to promote rural cooperatives and you believe in the values of bottom-up participation, which you have all practiced through joint decision-making and a free flow of information.
2. The directors appointed a manager six month ago. He has experience of working in commercial organizations.
3. He began to arrange high-level meetings and made important policy decisions without consulting the staff, and began to control the flow of information.
4. You have begun to feel devalued and excluded. You feel that the new manager is arrogant and elitist. You fear that, if something is not done, all the good will that has been established with the local people will be lost and all your work over the past five years will come to nothing.

[From this point the participants proceed to engage in role-playing mediation.]

## **CONCLUDING OBSERVATION**

Mediation can be an important means of conflict transformation when at least some of the parties to a conflict have come to realise the need to explore new ways to pursue their interests, but are not yet ready for formal negotiations. However, one must explore existing European models of mediation from a perspective firmly grounded within one's own culture, in order to deepen one's appreciation of the strengths (and weaknesses) of indigenous practices and processes of mediation and informal peace-making.

## 4 CONFLICT AND CONFLICT RESOLUTION AT WORK (CASE STUDIES)

*Mazen Qubty*<sup>1</sup>

In the following, three cases of conflicts within organizations will be presented. From these cases we will be introduced to certain patterns of conflict resolution.

The cases are the following three major work crises that occurred in East Jerusalem:

- the American Colony Hotel in 1993;
- the Seven Arches Hotel in 1995-1996; and
- the Augusta Victoria Hospital in 1997.

I chose these three cases for several reasons. For one thing, the ownership is different: that of the American Colony is Swiss, that of the Seven Arches Israeli, and the Augusta Victoria Hospital is owned by the Lutheran Federation. You will see that the different ownership of these three institutes influenced the process of the negotiations and the process of solving the crises. All of these institutes have Palestinian staff, mostly from Israel and some from the West Bank. Another important thing to notice when we discuss the cases of the American Colony and the Seven Arches is that they are commercial services, while the Augusta Victoria mainly offers services for Palestinian refugees and poor people, and acts more like a charity institution rather than a commercial one. This was undoubtedly another factor that influenced the negotiations.

### ► The American Colony Hotel

For a long time many of the major institutes in East Jerusalem refused to apply the standards of Israeli Labor Law. As a result, many employees did not enjoy the same rights as other employees who worked in West Jerusalem. More and more employees began fighting to obtain these rights. This problem first evolved in the institutes whose owners

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<sup>1</sup> Mazen Qubty is a lawyer in Jerusalem.

were not Palestinian. The conflict was not between Palestinians therefore, but between Palestinians and non-Palestinians on the applicability of the Israeli Labor Law inside these institutes.

The American Colony Hotel was considered the most profitable hotel in Jerusalem, and the fact that it was very prosperous meant that the management could not claim that there was no profit due to lack of work. This matter led five of the employees who were fired by their employer to approach me as a lawyer. They asked me to represent them against the management of the hotel. While they were working in the hotel they had never approached the management and claimed their right to be treated according to the Israeli Labor Law. Frankly, when the crises started we did not believe that the case would become as large as it later did. We thought we would be dealing only with these five employees who were fired.

We decided to go to the Israeli court, looking for either a settlement or a court decision to end the conflict. Before going to court we had to decide upon our strategy and our desired outcome, and we had to recognize the tools we had in hand. These are very important factors in any case. First of all, it was clear to us what the employees wanted. They did not want to come back to work. They wanted the rights to which they were entitled under Israeli law. To open the case we had to go to court. Before we went to court, however, we established our limits for both the optimal case of 100-percent success and the minimum that would be acceptable.

We also needed facts. The employees did not have many papers with them when they approached me. I told them to keep quiet at the current time and to try to get as many papers from the hotel as possible through the current employees there. Through this method we were able to obtain photocopies of the weekly programs of the employees for the past seven years. As a result, we knew how much each person worked and when. This enabled us to prepare our suits and to determine the rights that we would be able to obtain in this case through the suits or through negotiation.

We were very surprised by the response of the American Colony. I believe that their response was influenced by several factors. After we initiated our suit against the American Colony, they asked us to sit with them and negotiate with the five employees. We started talking to them, and after a few sessions they realized that were the case to continue we would win it. They asked us to give them a two-month period to think about the issue and to discuss it with their board of directors, to which we agreed.

Two months later they came back to us with a very interesting proposal, asking me to represent all the employees of the American Colony. They based this proposal on the fact that all other employees would be able to make the same claim as the five former employees. I suggested that they first deal with the five employees separately to establish criteria for a collective settlement, to which they agreed. Accordingly, we gathered all the employees and explained that the management would soon be forced to pay reparations for failing to uphold the rights of their employees over the past seven years, and that they had the freedom to choose their lawyer. Thus the small problem of the five employees became the problem of all employees of the American Colony, including others who had worked for the hotel in the past seven years and had been fired.

We began discussing ways to solve the problem. The employees' interests involved obtaining as much money as possible, for after reaching an agreement they could not again extract compensation from the management. The management, of course, wanted to pay these workers as little as possible, but at the same time knew that if all the employees went to court individually their cost would be two or three times as great. This stage of the negotiation lasted two months, after which the employees were awarded one million US\$. This amount was to be divided among all the employees according to their position and years of employment. At the conclusion of the negotiation, each employee signed an agreement with the hotel specifying the amount of money to which he was entitled and the labor rights that would govern the terms of their employment in the future.

This conflict was unique in that the management expressed considerable good will. They not only desired to preserve their reputation and good business relations, but also recognized that the hotel would be best run if the employees were content and their rights respected.

► The Augusta Victoria Hospital

This conflict presents a different way of resolving organizational conflicts, and was influenced by the nature of the organization in question. As mentioned previously, this hospital offered medical services to refugees and poor people. Most of its money came from various international organizations, with only a minimal amount collected from patients in return for medical services.

The Augusta Victoria conflict began when the Israeli authorities applied their medical insurance policy to East Jerusalem. According to this law, any person living in East Jerusalem is entitled to medical insurance, can become a member of any of the different 'Kopat Holim' patient

trusts, and can go to Hadassah or Sha'arei Zedek or any other hospital in Israel without paying money. As a result, Augusta Victoria realized that many of its clients, mostly from East Jerusalem, would no longer come to them for health care as the quality of health services provided by the Augusta Victoria was not as high as that of Hadassah or Sha'arei Zedek. Augusta Victoria initiated a change in the hospital's policy, converting it into a specialized hospital that provided its services to Kopat Holim medical centers so that the latter would send its patients to Augusta Victoria. This process of transforming Augusta Victoria from a charitable organization to a commercial hospital created a conflict, for the organization did not effect a corresponding shift in the treatment of its employees.

Many of the employees of Augusta Victoria approached us to represent them against the management of the hospital. Again, they were asking to be granted rights according to the Israeli Law applicable in East Jerusalem. We knew that dealing with the Augusta Victoria would not be as easy as with the American Colony, for the Augusta Victoria played a very large role in providing health care to the Palestinian community. It was one of the very few hospitals in Jerusalem that played a role in the Intifada, and therefore was of particular political significance.

Although we at first thought that the conflict would only involve the employees and the Lutheran Federation, the Palestinian Labor Union and the Palestinian leadership in Jerusalem also became involved. The new players had an important role for they took the side of Augusta Victoria, trying to convince the employees that they had no right to fight this institution. In the end, their efforts succeeded in dividing the employees to three groups. One group abandoned the lawsuit and forfeited any claims to compensation. The second and largest group decided to settle for approximately 20 percent of the rights to which they might otherwise have been entitled. The third group decided to continue the fight against Augusta Victoria in the Israeli court. The verdict of this case has not yet been reached, but when it is the employees who held out will likely receive four or five times the compensation of those who agreed to settle early. The significance of this case, however, lies in the fact that it was governed not by purely legal factors, but also by outside interests and influence.

#### ► The Seven Arches Hotel

This hotel used to be called the Intercontinental, and belonged to the Jordanian government. After the occupation of East Jerusalem in 1967, however, Israeli law considered the Jordanian government to be absent, and confiscated the property. A representative of the Israeli Ministry of Finance is running the hotel as a 'custodian' until an agreement



officially decides the status of the property. During the period of the labor conflict, the ownership of the hotel was in the hands of the Israeli representative, and all the employees were Palestinians.

Although the management of this hotel was Israeli, they did not implement the Israeli labor laws. After hearing of the American Colony incident the employees of the Seven Arches approached me, saying that they wanted to file a similar suit against their employer. As in the previous case, documents were obtained by current employees and a letter was sent to the management stating our intentions.

After one month, in July of 1995, the hotel employees were suddenly granted their rights according to the law. The question remained, however, of the past seven years of disregard, and we continued to pursue the case. The management claimed, however, that seven years prior the employees had not been productive, and that the management had granted them a favor by not firing them. They presented many such excuses in an attempt to avoid paying back reparations, and decided to go to court. Labor court cases are not settled in a matter of months, but instead take between three and five years to resolve. The hotel management played upon the fact that most of the employees were not willing to wait this long, and even exacerbated this obstacle by stalling as much as possible, making many requests to the court. The struggle became one over the duration of the case, which the employees wanted to minimize and the management wanted to maximize. The management's strategy worked, for the employees soon agreed to negotiate a settlement for less than 100 percent of their entitlement.

The management then claimed that the case could not be settled through a court at all, but instead had to be brought to the Histadrut, the Israeli labor union. According to the collective agreement applicable to this hotel, only representatives of the Histadrut and representatives from the Hotels Owners Association could be mediators in this conflict, and only if they fail to mediate or reach a solution can the conflict be taken to court. The employees agreed to these terms, so representatives from the Histadrut and the Association held several sessions in which each party tried to convince the mediators to uphold its viewpoint. The result of this mediation granted the employees only 50-60 percent of their rights. Some of the employees agreed to end the problem at this stage, although my personal preference was to continue to fight. We knew that one of the mediators had met with the management of the hotel separately and we used this fact to attack their decision in court, claiming that the mediator's decision was not valid. We knew that the court might not uphold such a claim, but we used it as a tool to pressure the other side and the mediators themselves to re-examine their decision and offer the employees more money. After two or three



additional sessions we extracted another 20 percent of the employees' rights, bringing the total to 70-80 percent of that to which they were entitled over the past seven years.

In each of these three cases the mediator involved represented a different interest. There is no doubt that the Palestinian leadership in Jerusalem and the Palestinian Labor Union took the side of the Augusta Victoria and the Histadrut and the Hotel Association took the side of the Seven Arches for political reasons. In the American Colony case the interests were only commercial, and as a result it was the easiest conflict to resolve, yielding the best results.

All three cases involved the following four elements:

1. a situation of conflict;
2. negotiations;
3. different influences from different sides;
4. an agreement.

# 5 NEGOTIATIONS AND CONFLICT MANAGEMENT IN ORGANIZATIONS - STRATEGIC NEGOTIATION CONCEPTS

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Anthony Wanis-St.John<sup>1</sup>

## INTRODUCTION TO THE WORKSHOP<sup>2</sup>

We are going to learn some skills of successful negotiation by doing, rather than by talking. I will give some brief presentations on analytical concepts and tools. These are the heart of the approach and skills that are to be developed in this workshop, but we will concentrate on experiencing negotiation as a skill we can use in all contexts; interpersonal and organizational. Therefore we will use experiential, practical negotiation exercises that can be evaluated, scored, debriefed and analyzed. This is how workshop participants can all work on the same case, and directly compare procedures and results and most importantly, *experiment* with new methods of negotiation that we recommend. The most important thing for us during these two days is to *practice* new approaches. We will learn how to diagnose what is happening in any particular negotiation relationship, and when needed will try to fix it or change it to the extent possible. By engaging in large and small group facilitated discussions, participants 'deepen' their learning experience in the exercises and their reactions to the presentations by exploring their practice, questions and insights with each other, and so help each other to learn.

The field of conflict resolution has developed a series of exercises designed to teach the necessary skills. You will each be asked to play a role in these exercises, and I ask you to try to be faithful to the role even if it involves something that is not familiar to you. I have chosen exercises that I believe to be interesting, and that involve a broad selection of people from different backgrounds. In two of the exercises you will be given confidential instructions, and I ask that you not share

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<sup>1</sup> Anthony Wanis-St. John is a Ph.D. Candidate at the Fletcher School of Law and Diplomacy, and a Research Affiliate at the Program on Negotiation, Harvard Law School.

<sup>2</sup> The material used in this seminar and the concepts that will be discussed come from a multi-disciplinary background, including Political Science, Sociology, Anthropology, and Social Psychology.

these instructions with anybody until after the exercise is over. This is a realistic situation, for during negotiations we do not always have perfect information about the other parties involved. We have to determine the truth from the limited information we are given.

This is not an acting class, and I am not asking you to be false to yourself. Be yourselves, but also feel free to practice something new and to take a risk, perhaps in an environment where the costs of making a mistake are very low.

We will start by talking about some of the dilemmas faced by managers inside an organization. One dilemma involves being caught in the middle where you have clients, customers and constituents outside the organization as well as superiors inside who make demands from you. To the side you have colleagues of more or less equal strength, power and access to information and resources as you do. Below you perhaps have subordinates who have to do work for you. Typically, managers do not have all the resources they need to do their job. They are given a task that requires them to go out and find resources, convince people and persuade people to change their priorities. If you consider managers to be negotiators, then we can call this 'the negotiator's dilemma.'

### **THE NEGOTIATOR'S DILEMMA**

We overcome these dilemmas by:

- ▷ *Learning and practicing negotiation skills:* My fundamental assumption is that these skills can be learned. Others, however, assume that diplomacy and negotiation are things that can never be learned or taught. They believe that you are either born a negotiator or you are not. Unfortunately, this is a very shortsighted assumption. We have been working and enhancing people's skills in the field of negotiation for a long time.
- ▷ *Understand the pervasiveness and complexity of negotiations:* Negotiation is everywhere in your life. You are constantly engaged in trying to influence others and trying to manage them, while at the same time they are attempting to do the same thing. However, we harbor a lot of assumptions about these negotiations that I think are inaccurate.
- ▷ *Understand our own and other people's style of negotiation:* This scale can range from individual stylistic differences to things as broad and deep as culturally specific ways of managing conflicts. It is important to understand where we come from and where the people with whom we negotiate are coming from.

### **Exercise: Oil Pricing**

Negotiation exercise based on a variation of the so-called "prisoners' dilemma" from game theory, which illustrates that under certain conditions of interdependence, we are tempted to make unwise moves which, though meant to defend our interests, end up defeating them.

The exercise is designed to test the assumptions we bring to our negotiations and offer a different vision of what it means to negotiate -to move from an unprofitable, adversarial relationship that involves neither trusting nor being trustworthy, to a healthy competitive relationship in which cooperation and trustworthiness rewards the parties greatly. The exercise involved participants joining the Oil Pricing Board of the Ministry of Oil in either country Alba or country Batia. These two countries sell all their oil to country Capita. Price per barrel determines market share and profitability for each country. Economic and political shocks create new opportunities for learning and negotiating differently, leading some to better outcomes for their oil-producing country, which do not cost anything for the other producing country.<sup>3</sup>

### **Presentation and Discussion after the Oil Pricing Exercise:**

▷ Common assumptions about negotiations:

1. Negotiation is weakness: force and power are preferable.
2. Negotiation is a zero-sum game, which implies
  - What I win, you lose
  - Values are narrowly defined and fixed, neglecting the opportunity for maximization.
3. The process is fixed: 'we can only do this one way'.
4. Competition is the rule.
5. Trust and trustworthiness are unwise.
6. Alternatives are fixed; either very good or very bad.
7. Time is unimportant as the relationship exists only in the short term.
8. Everything that matters is visible, while communication, culture and experience do not matter.
9. My adversary's intentions are always negative and mine are positive.
10. Negotiators have to exaggerate and perhaps lie in order to succeed.

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<sup>3</sup> This case was written by Roger Fisher, Director of the Harvard Negotiation Project, and revised by Bruce Patton, Deputy Director of the Harvard Negotiation Project and Andrew Clarkson. The exercise can be ordered for a nominal cost from the Program on Negotiation, Harvard Law School, Tel.: 1(617)495-1684, or via the internet (<http://www.pon.org>).

## THE CONTEXT OF NEGOTIATIONS

▷ *Elements* that determine the complexity in negotiations include:

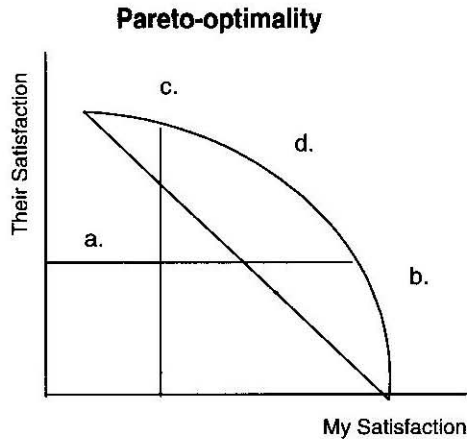
- Number of issues
- Number of parties
- Time
- Iterations
- Kinds of issues
- Kinds of parties
- Party unity and stability
- Intra-organizational negotiations
- Culture
- Emotions
- Prior commitments
- Power asymmetry
- Audiences
- Intangible subjects

▷ *Reasons* why we resort to negotiations:

- We seek to gain more than the alternatives offer.
- We understand our interests and perceive an opportunity to satisfy them by interacting with the other parties involved.
- We detect an ability for all sides to gain something from an agreement.
- But: is there a ZOPA (Zone of Possible Agreement)?
- We try to envision efficiency and fairness, we try to create value instead of limiting it and we move towards efficiency.

▷ *Where and with whom* do we negotiate?

- Where were the negotiations in the Oil Pricing exercise?
- Externally, across the table.
- Internally, with our side.
- With ourselves; tradeoffs, priorities, goals, principles.
- With constituents, for consent, interests, ultimately for agreement.
- With superiors, for authority, resources, mandate
- With colleagues, for cooperation
- Are they linked?



Pareto-optimal points are those at which no party can increase its own satisfaction without also decreasing the satisfaction of the other party. They are efficient but not necessarily fair. Point 'd' is the point where we move towards greater value creation.

### **Exercise: Diego Primadonna**

The second exercise that participants negotiated was a modified version of an exercise known as "Sally Soprano" or "Sally Swansong." These exercises are designed to help participants learn several key points about negotiations: Negotiations are opportunities to create value by different means, not simply agreeing on a price for a good or service. Many low-cost solutions can be created so that parties end up more satisfied than they would be by agreeing on a price. This refers to the many dimensions a creative solution can have for a shared problem. This requires parties to thoroughly understand the interests they have, whether shared or complementary, in order to propose such solutions. The exercise also explores some of the aspects of negotiating on behalf of another party, such as when you are an agent negotiating for a client or principal.<sup>4</sup>

<sup>4</sup> This case is based on the original Sally Swansong created by Professor Norbert S. Jucker of the DePaul University, College of Law. It has been revised, expanded, and adapted for the use of the Conflict Management Group by Robert Ricigliano. (Copyright© 1991 by Conflict Management Group). To obtain copies of the original exercise, which closely resembles the structure of Diego Primadonna, contact the Program on Negotiation, Harvard Law School, (see footnote 3).

**Learning Elements of the Diego Primadonna Exercise:**

▷ Process of Negotiation:

- Is it fixed? Or variable? Process can be designed explicitly
- Are we internally prepared?
- Who is invited? Not invited? Implications?
- Does anything have to happen before or while we negotiate? CBMs, North Korea
- What are the issues? What is not to be discussed? Why?
- In what order are issues addressed?
- What is the goal of our meeting?
- Do we need further information? How will we get it?
- Are we communicating well? Can we improve?
- When will we meet again?
- Multiple tracks or channels?

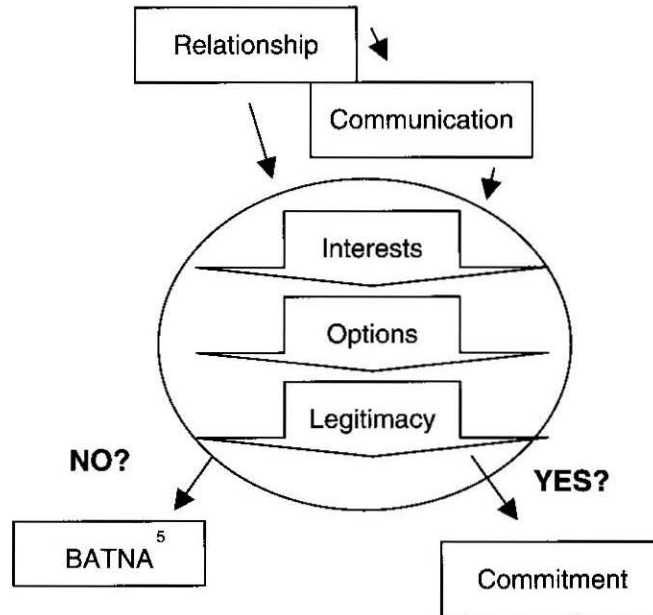
▷ If I do not negotiate:

- What is my alternative?
- What is their alternative?
- Can I improve mine or worsen theirs?

▷ The dimension of time:

- Can we really achieve our goals at one meeting?
- Do we need to work together in the future?
- Will I ever see you again?
- Negotiation can be seen as an investment in managing an ongoing relationship well
- People are interdependent within organizations
- Organizations that work together are also interdependent. They usually cannot ignore each other or impose solutions on each other
- Each negotiation can be a pattern for a future negotiation

## FISHER'S ANALYTICAL ELEMENTS



▷ Seven elements measured:

- Relationship is preserved or improved, survives difficult times.
- Communication is clear, or can be clarified.
- Interests are satisfied (multiple parties).
- Options are invented that create value.
- Criteria measure the options and offers for legitimacy.
- Commitments are understood, enforceable.
- BATNAs are exceeded.

▷ Preparing to negotiate:

- Is there a ZOPA?
- What are the alternatives and can they be altered?  
Test/weaken their perception of theirs?
- What are all the parties' interests? Are they at least complementary?

<sup>5</sup> BATNA = Best Alternative to Negotiated Agreement; more on this below (p. 41).



- What options can be created at low cost to me and high value to them? Can we invent without deciding?
- What external criteria will persuade us to accept an agreement?
- What internal agreements are necessary for external agreement? How will I persuade my client?

▷ Managing common dilemmas:

- Valuing a good relationship vs. valuing material gains.
- Assertiveness and empathy: do you tend to demand what you want from people, or do you seek to preserve relationships and avoid conflict? Does it depend on who you negotiate with? Issue being negotiated?
- Be aware of your tendencies, take small steps to change.
- Creating value vs. claiming value.
- Moves to claim may prevent moves to create.
- Strategic manipulations: bluffing, lying, etc.
- Role of information: how much do we share and when? [BATNA, interests]
- Focus on options for joint gain.
- Insist on legitimate standards.
- Make yourself understood, actively listen.

## **ELEMENTS OF NEGOTIATIONS**

Most of the time we do not think that we can design a process of negotiation that can meet our interests, i.e., finding the means by which people can talk to each other, what they talk about, when they talk, what sequence they put the items in, what ending they have in mind, how they close the agreement, whether they end with a handshake or with a written contract, and whether they rely on a pre-agreed written agenda or allow for a general open conversation. These are all elements of the process of negotiation. They do not relate to the topic of negotiation, but rather to the general procedure. The process of negotiation is variable, not fixed. For example, purchasing a car does not involve a written agenda with the seller of the car. If you have a more complex human resource problem in your organization, however, you hold several meetings that follow a written agenda in which you talk about the different positions that must be filled, what requirements you have for the candidates, the salaries, how long the contract will last,

etc. You have to be internally prepared. You cannot approach negotiation with only minimal preparation.

▷ One needs to be able to answer the following questions before entering a negotiation:

1. Are we internally prepared?
2. Who is invited? Not invited? Are there any implications?
3. Does anything have to happen before or while we negotiate?
4. What are the issues? What is not to be discussed? Why?
5. In what order should we address the issues?
6. What is the goal of our meeting?
7. Do we need further information? How will we get it?
8. Are we communicating well? Can we improve the quality of communication?
9. When will we meet again?
10. Do we have multiple tracks or channels?

By answering these questions you will be prepared for what you are going to face in the negotiation. Instead of thinking of the process of negotiation as just something that happens, you can actually design these elements.

Another element to be considered is the BATNA (Best Alternative to Negotiated Agreement), which is a point of self-analysis in the stage of preparation; it is not fixed and it can be improved. Before entering into negotiation you should know what is going to happen if you fail to reach an agreement. What you are going to do afterwards is typically your BATNA. The better the best alternative, the more leverage and power one has. For example, if you go to a job interview with another offer already in your pocket, this gives you power to impose your will to a certain degree. Therefore it is important to understand what your alternative is, and to take action to improve it. If you sense that the other side's BATNA is weak, you have to subject it to a test of reality and try to reduce their reliance on it.

The following qualitative measures can be used to weigh the effectiveness of a negotiation by checking whether each of them is present or not:

1. Will the relationship be preserved, improved or worsened? A good outcome would be if the relationship is preserved sufficiently for it to be able to survive a conflict in the future. Every marriage, business relationship, international relationship, etc.

has to anticipate difficult times in the future. A good relationship enables parties to survive.

2. Is communication clear or not? If not, can it be clarified? Unclear communication is a bad outcome of negotiation, for you do not know what people mean or what they are offering, and you will not understand their reactions.
3. Are interests satisfied where multiple sides are concerned? This point is illustrated by the case in which two sisters have one orange and both want it. Finally they decide to cut the orange in half, and each takes a half. One sister eats the fruit and throws away the peel, while the other sister throws the fruit away, takes the peel and makes jam. If they had understood each other's interests, each one could have obtained 100 percent of what they wanted. This story very simply illustrates the power of interest. If you understand your side's interest very well and the other sides' interests reasonably as well, you will be able to present more substantial options for an agreement. Our information is usually not perfect, so we have to discover some things within the negotiation.
4. People can invent options that create value. Sometimes in a more complex negotiation a third or fourth or fifth party has to be brought in to add resources in order to add value to the agreement if the parties are not able to do it on their own.
5. External standards or external criteria can be used to measure the options offered, after which the best option(s) can be chosen.
6. Commitments should be understood and enforceable according to the context. Everybody should leave the room knowing what they have to do next.
7. BATNA should be exceeded. The most important thing about the agreement you reach is that it should be better than your BATNA. You must not say yes to agreements that are worse than your BATNA.

This seven-element approach is a good start where negotiations are concerned in terms of preparation, diagnosis, action and learning.

## **DILEMMAS**

There are two common dilemmas that negotiators face:

- ▷ Valuing a good relationship vs. valuing material gains:

Some people tend to value a good relationship outcome, and then suffer when it comes to obtaining a material outcome. Others value the substance gain and are ready to sacrifice the relationship. Good relationships and material interest do not nec-

**Exercise: HARBORCO<sup>6</sup>**

**General Information**

A newly formed national consortium, Harborco, is interested in building and operating a deepwater port off the coast of Seaborne. The consortium's members are drawn from a variety of enterprises, most of which are diversified among a number of commercial activities. Harborco is prepared to participate in the financing, construction, and operation of the port. It has already engaged in some preliminary planning and design work, but cannot proceed without a license issued by the Federal Licensing Agency (FLA).

**The Project**

The deepwater port proposed by Harborco would be the first of its kind on the East Coast. It would be located in Seaborne at the estuary of the Banksedge River. Like the European seaport Rotterdam, it would accommodate a new generation of large cargo ships and supertankers- ships believed to be especially cost-effective in transporting raw materials and goods.

The deepwater port would be based on an artificial island of roughly 9 square miles created with fill from the dredging of an access channel. The island would be connected to the shore by a network of highways, railroads and pipelines. On-shore, an Air-Sea-Cargo Center (ASCC) would be developed, along with major connections to existing highways, railroads, and pipeline networks. Substantial infrastructure would be needed to accommodate an inter-modal freight terminal of this sort. Most of the industrial plant and ancillary facilities would be located on the island. While components of the port could be operational as early as five years after construction begins, the port's full development might not be completed until 20 years later. The projected cost of the port is roughly \$4billion (in current dollars).

**The Parties**

Harborco is excited about the prospect of a deepwater port on the East coast. It believes such a port could generate substantial profits within ten years after operations begin. (Harborco bases its projections on an independent study by Transport Associates, Inc., which concluded that such a port could be economically viable under several possible scenarios.) In addition, Harborco believes the local, regional and national economies could benefit from a port which would dramatically reduce the transport costs of imports and exports.

<sup>6</sup> This case was written by Denise Madigan and Thomas Weeks under the supervision of Prof. Lawrence Susskind (M.I.T.), Assistant Prof. David Lax and the Negotiation Roundtable. This material is copyright © by the President and Fellows of Harvard College.

essarily have to be a trade-off, for you do not have to sacrifice one to obtain the other. If you are a person who prefers a good relationship outcome you have to dare yourself to say 'no' to people who might abuse your good will to fulfil their interests. Those who tend to sacrifice the relationship for material gain have to take steps to preserve the relationship while continuing to meet your interests. Each side has to be aware of their tendencies, and take small steps toward change.

▷ Creating Value vs. Claiming Value:

Creation of value can mean adding to that which is subject to negotiation or meeting your interests better, among other things. However, sometimes people create value well but then do not know how to claim it. You have to take into consideration the following:

- ◆ *Moves to claim value may prevent moves to create value:*  
Moves to claim value that come too early can prevent moves that create value. You should keep to the sequence of creating first and claiming later.

Strategic manipulations such as bluffing or lying can be used to claim value.

- ◆ *Role of information: how much do we share and when? (BATNA, interests)*  
Sharing a lot of information early might not serve your interest well because others might claim value from you unless you do it very skillfully. You have to know how much information you should share and when to share it. If you do not share any information then the other side does not know anything about your interests and can not meet them. If you share a weak BATNA, this might be manipulated if you are not very assertive.
- ◆ *Focus on options for joint gain:*  
You have to focus on options that meet both of your interests fairly. Eliminate the problem of choosing between two things.
- ◆ *Insist on legitimate standards:*  
This means involving outside standards or rules that help you make the right decision.
- ◆ *Make yourself understood and actively listen*

Several other parties, however, have an interest in the deepwater port and Harborco's application for a license.

*The Environmental League:* This coalition of environmental interest groups is generally opposed to any "development" of coastal areas, especially development which threatens fragile ecosystems, adds to air and water pollution, and increases health and safety risks. The league is worried that Harborco's proposed port would seriously damage the environment of Seabome and destroy the basic Banksedge River ecology.

*Local Federation of Labor Unions (The Union):* The Union is generally pleased that new development is being considered for Seabome. It anticipates the creation of hundreds of new jobs in both the short-run and long-run. It will argue strongly, however, that these jobs should be reserved for local union members. (The local federation is affiliated with the National Federation of Labor Unions.)

*Other Ports in the Region:* The four other ports in the region are not pleased with Harborco's proposal. They expect to lose a substantial amount of business to the new port if it is constructed. They are extremely skeptical of Harborco's claim that all regional ports will share in the economic benefits generated by the new port.

*Federal Department of Coastal Resources (DCR):* This Cabinet-level agency created during the Reagan Administration has a dual mandate: (1) to help realize the economic potential of the nation's coastal resources and (2) to preserve the environmental integrity of the nation's coastal areas. The DCR would like to see a deepwater port established somewhere on the East Coast, and has the resources and authority to subsidize such a port if it chooses.

*Governor Sherwood (of Seabome):* Governor Sherwood is in her second gubernatorial term and is eager to promote development in her state. She is sensitive, however, to the needs of organized labor, a powerful political constituency, and is therefore anxious to see that unions share in the benefits of the port.

#### ***The Licensing Process:***

Harborco submitted an application just one month ago for FLA review. While aware of other parties' interest in its proposal, Harborco expected little difficulty in the licensing phase of this project.

The FLA, however, has recently been criticized by several Congressmen for failing to consider the "broader public interest" in its previous licensing determinations. Consequently, the FLA is now very sensitive to the level of political support surrounding each application it reviews.

In this case, the FLA will not approve Harborco's application unless it is clear that there is substantial support for the project. It has



therefore decided that it will approve Harborco's proposal *only if* Harborco can muster the support of at least 4 other parties. (The FLA would prefer to see all 5 parties support a Harborco application, but it will grant a license even if only 4 lend their support).

Two parties, however, can exercise some veto power. Harborco can veto any proposal in this negotiation (since no other party is capable of initiating the development). In addition, the Federal DCR can veto any project that requires a federal loan or loan guarantee.

**The Issues:**

Preliminary discussions have taken place between Harborco and representatives of the five key parties. As a result of these conversations, Harborco has identified five issues which seem to be of concern to all or some of the parties. A general description of the issues is provided below; more detailed information is provided in each party's confidential instructions.

**Issue A: Industry Mix**

The deepwater port itself is only part of the development Harborco has planned. With the construction of the port will come a variety of industries seeking access to the port. These industries will either lease or purchase land on the artificial island and on-shore, and will eventually generate the bulk of the revenues associated with the new port.

Harborco has initially requested the freedom to develop any industry mix it chooses. This means that it could choose to develop (or encourage) any type of industry or plant, including oil refineries, steel mills, or a resource recovery plant. The environmentalists, however, have argued that strict limits should be placed on the industry mix allowed in the area: they are asking that only relatively "clean" industries such as high-tech production plants be allowed.

As a result of this controversy, three options have surfaced in the discussions between Harborco and the environmentalists.

**Option A1: Primarily dirty:** no industry would be excluded, but the mix would probably be dominated by oil refineries, petrochemical plants, steel production plants and a resource recovery plant.

**Option A2: Clean/Dirty:** would exclude the "most dirty" industries, but would allow a limited number of moderately dirty plants (including food processing plants).

**Option A3: All clean:** would be limited to only "clean" industries such as high-tech production industries; "dirty" plants would be excluded.

Air pollution, water pollution and waste disposal would vary with the industry mix selected. Regardless of the "industry mix", all industries would conform to existing federal and state pollution regulations.

**Issue B: Ecological Impact**  
The dredging of the access channel, the creation of the island, and general construction activity could seriously disrupt existing "ecologically delicate" areas both on and off-shore. The damage would include the alteration of nesting habitats, a reduction in natural tidal flushing, the destruction of wetlands, serious land erosion, adverse impacts on existing fisheries, and substantial subsurface geological impacts (caused by drilling and dredging)

Harborco admits that the new deepwater port would create some damage to the ecological setting, but also claims that such damage would be within the limits defined by federal and state regulations. Environmentalists, however, counter that the damage would be excessive, and that Harborco has no right to disrupt the area. In light of these arguments, three outcomes are possible:

**Option B1: Some harm to ecology.** This would involve unremediated disruption to the ecology. Fish and animal nesting habitats would be altered (or effectively destroyed), valuable wetlands would disappear, water temperatures and currents would change, and certain types of aquatic flora and fauna would be destroyed. All this would take place within Federal and State impact mitigation guidelines.

**Option B2: Maintain or repair ecological balance.** This would involve special precautions to divert construction and dredging activity (where possible) from the most ecologically delicate or important areas. It would also include the relocation or recreation of habitats destroyed by unavoidable dredging and construction.

**Option B3: Improve the ecological setting.** Like the previous option, this would include special efforts to bypass delicate areas during construction and dredging. It would also include a variety of other efforts to improve the local environment. Environmentalists propose ongoing fishery management and wildlife protection, the creation of new and larger protected wetland areas, an active anti-erosion program, and the construction and operation of a small waste treatment facility to treat effluents flowing into the estuary from the Bankesidge River.

**Issue C: Employment Rules**

Construction and operation of the deepwater port is expected to generate hundreds of new jobs in the community in both the short-run and long-run. These jobs can be distributed among potential employees in one of three ways:

**Option C1: Unlimited union preference:** Jobs would be reserved for local union workers, where appropriate. This would enable local union members to claim a share of the new jobs as possible.



**Option C2: Union Quota of 2:1.** Limited preference could be given to union members where the ratio of union to non-union workers would not fall below 2 to 1.

**Option C3: Union Quota of 1:1.** The ratio of union to non-union workers would not be less than 1 to 1.

**Option C4: No union preference (unrestricted hires).** Harborco would be free to hire whomsoever it chooses. In this scenario, most workers would probably be non-union workers, enabling Harborco to maintain its hiring flexibility and to reduce its expected wage costs. In addition, new workers might be drawn from outside Seabome.

#### **Issue D: Federal Loan**

The newly created federal Department of Coastal Resources (DCR) has a mandate to promote economic use of coastal areas while preserving the environmental integrity of these areas. It can provide a substantial loan (or guarantee private borrowing) to help cover the construction and operating cost of the port over the next 20 years. Harborco estimates that the total cost of developing the port will be roughly \$4 billion, and has requested \$3 billion in guaranteed loans. The DCR, however, has suggested that there are certain aspects of port design that it must insist on before it will contribute to the port. Four options appear possible:

**Option D1: A \$3 billion loan** (at 15% interest) over the next 20 years.

**Option D2: A \$2 billion loan** (at 15% interest) over the next 20 years.

**Option D3: A \$1 billion loan** (at 15% interest) over the 20-year period.

**Option D4: No federal loan.**

#### **Issue E: Compensation to Other Ports in the Region**

Harborco believes the new port will generate significant economic growth both in and outside the state. It contends that the entire regional economy will be improved by the port, and that the other four major ports on the Eastern Seaboard will benefit from this growth.

The other ports, however, expect to suffer substantial loss of traffic once the new port begins operation. They have estimated the present discounted value of their losses to be roughly \$600 million, representing losses for 10 years after the new port begins operation. They think Harborco should compensate them for these losses. In light of this conflict, five possible options are up for consideration.

**Option E1: Harborco pays \$600 million** (or 100% compensation) in current dollars to the other ports.

**Option E2: Harborco pays \$450 million** (or 75% compensation).

Option E3: Harborco pays \$300 million (or 50% compensation).

Option E4: Harborco pays \$150 million (or 25% compensation).

Option E5: Harborco makes no compensation to the other ports.

Though the ports would be free to spend this money as they wished, they could use these funds to make changes in their design which would enable them to serve more effectively as leader ports for the new deepwater port.

**The Negotiation**

Harborco has already submitted a license application to the FLA, which proposes the following:

1. A primarily dirty industry mix (Option A1)
2. Some harm to the ecology (but within federally and state prescribed limits) (Option B1)
3. No special preference for union workers (Option C4)
4. A \$3 billion loan from the DCR (Option D1)
5. No compensation payments to the ports (Option E5)

Harborco is free to submit changes to its proposal at any time during the licensing review process, but it is anxious to have its application approved as is.

In an attempt to muster support for its current proposal, Harborco has invited all the key parties to a meeting at the Fitz-Carlin. Its stated objective for the meeting is to seek a "negotiated agreement" among all parties to ensure unanimous support for its proposal. (Of course, Harborco needs the support of only 4 other parties in order to secure a license.)

**Mechanics of the Negotiation**

All five parties have agreed to attend the meeting, and are seated at the negotiating table. The FLA representative opens the meeting and explains the procedures that the negotiating session will follow. Each party has seen a copy of Harborco's current FLA application. The discussions may progress in any direction, but Harborco will be searching for a proposal that will win enough votes for FLA approval. Anyone can suggest alternate proposals, but Harborco's concurrence is needed for any proposal to be adopted.

Three formal voting rounds are scheduled for the meeting. The first will take place 15 minutes after the meeting begins, the second after 40 minutes of discussion, and the third after 1 1/4 hours of the discussion. Additional votes may be taken at any point during the meeting, but at least three voting rounds must take place. (There is of course one exception: if a project receives sufficient votes for FLA approval early in the meeting, the parties may choose to forgo subsequent voting rounds.)

The FLA representative will administer the three scheduled voting rounds. If Harboco cannot decide on a revised project to propose at the time of a formally scheduled vote, the participants must vote on the original Harboco proposal.

Voting is done by hand-raising. Once a proposal is passed (i.e. receives supporting votes from at least 4 of the 5 other parties), the votes are binding and parties cannot renege on their promise of support. The parties are free, however, to explore "improvements" in the agreement which either benefit the supporting parties or entice the non-supporting party to vote for the agreement. But if proposed improvements are not unanimously supported by the parties to the original agreement, the original agreement stands.

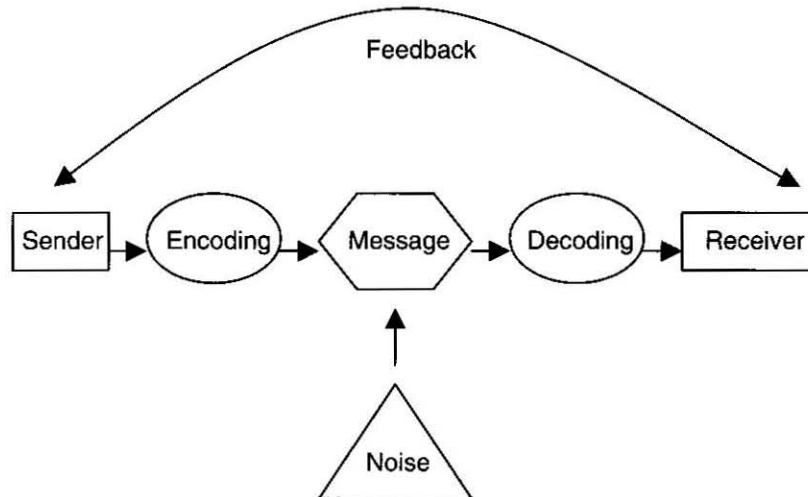
Negotiations must stop at the end of the meeting. If no agreement is reached (i.e. if no proposal receives at least 4 votes in addition to Harboco's), the FLA will reject Harboco's application for a license.

# 6

## COMMUNICATION AND NEGOTIATION

*Anthony Wanis-St. John*<sup>1</sup>

**N**egotiation is a highly specialized form of human communication. It is subject to the same dynamics as communication. Envision the following model of the communication process:



A communication process involves a sender, a receiver and the message to be sent. External things might occur during this transfer, which could distort the message and prevent the receiver from receiving the original message that was meant by the sender. In addition to these externalities, both the sender and the receiver do something interesting. The senders do not just give a universal message that is understandable by everybody. They encode it. They add certain things and state things in a certain way.

<sup>1</sup> Anthony Wanis-St. John is a Ph.D. Candidate at the Fletcher School of Law and Diplomacy, and a Research Affiliate at the Program on Negotiation, Harvard Law School.

On the other side, the receiver of the message has to decode, to a certain extent, what the sender meant to say. As well as the words, this includes the tones and certain gestures and indications that are not expressed verbally. This often results in distortion of the message. Our experience is part of this encoding-decoding process. It can affect the intention of the message sent, based on past experiences involving similar cases. The meaning the sender intends does not necessarily match the impact on the receiver. Therefore in conflict resolution, every single opportunity for conversation is also an opportunity for misunderstanding. Many times people tend to do the following:

- They fail to understand other people's intentions and the motivation behind their actions; thus they begin to respond in an inappropriate way based on this misunderstanding. There is also a tendency to always assume that the intentions of others are bad and to create stereotypes.
- People also often fail to understand the impact of their own words/actions. Even worse, in problematic relationships one believes that any action taken by his/her adversaries is based on the fact that they are bad people. When taking the same action, however, it is believed that one was forced to do it. People tend to discount information that disproves stereotypes, as they are very hard to break. Therefore they fail to integrate new and corrective information about others' intentions. Stereotypes are usually based on one grain of truth, but people then build a big castle based on this grain.

Good communication and negotiation skills rely on being able to be assertive and empathetic. You will practice this in the following role reversal exercise.

### **Exercise: Role Reversal**<sup>2</sup>

#### ***Selecting a Case***

To prepare for the Role Reversal Exercise, select your own negotiation case using the following guidelines:

1. **A Real Case.** The negotiation case that you select should not be fictitious. It should be a case that you are personally involved in. You will be asked to share the details of your case with only one person (of your choice), not the entire Working Group.

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<sup>2</sup> This case was written by Andrew Clarkson, with the help of Phil MacArthur, for the Harvard Negotiation Project. Copyright©1988 by the President and Fellows of Harvard College.

2. An Unresolved Case That Is Difficult To You. The case you select should be unresolved negotiation (either current, or upcoming) that you feel is particularly difficult and challenging for you. In short, pick a negotiation that is non-trivial: one that hooks your doubts and fears about your own competence. The more difficult the case you choose, the more you will tend to get out of the exercise.
3. Two-Party, Not Multi-Party. Your negotiation case should involve only one other person directly (in other words, you should not select a negotiation where you are negotiating simultaneously with more than one person).
4. Any Context Is Fine. Make your selection from any context you wish (e.g., business, professional, family, romantic, etc.).

This is not a writing assignment. In general, selecting a case should probably take no more than 10-15 minutes.

▷ Goals and learning effect of the above role reversal exercise:

- It helps develop understanding of another party's interests and positions;
- it facilitates clearer negotiation communication on the basis of knowing where true differences come from and through finding shared/complementary interests;
- it enables us to address some of the uncertainties in the negotiation and to try alternative approaches;
- the goal is not to resolve the problem but to gain insight;
- is not meant to undermine your position, but to see how to achieve your goals once you understand your partner.





## SELECTED INTERNET RESOURCES

### GENERAL SOURCES ON (NGO) MANAGEMENT

**<http://www.clearinghouse.net/>**

*(Links to guides on Fundraising, Grants, Non-Profit Organizations, Public Services; click sub-category Business & Employment)*

**<http://www.cyberpmp.com/resource.htm>**

*(Volunteer Program Management Resources)*

**<http://www.fundsnetsservices.com/main.htm>**

*(Lots of resources on Funding, Grant Writing, Non-Profit, Research and Educational Resources)*

**<http://www.not-for-profit.org/>**

*(Nonprofit Resource Center with a comprehensive directory of links and information on issues such as Fundraising & Philanthropy; Volunteers & Human Resources; Advocacy & Public Relations; Board & Organizational Support; Management Consultants; Publications; Research & Policy Studies)*

**<http://comnet.org/net/>**

*(Gateway to sites for the nonprofit community, organized by resource topics such as Education, Government, Grants & Funding, Health Care Services, Human Services, and Political Activism)*

**<http://www.casenet.org/nuts/index.htm>**

*(Articles, survey results, program management tips and information on Volunteering; topics include Board, Program and Resource Development; Personnel and Financial Management; Evaluation)*

**<http://www.charityvillage.com/cvhome.html>**

*(Canada's supersite for the nonprofit sector with many pages and links to News, Jobs, Information and Resources for Executives, Staffers, Donors, and Volunteers)*

**<http://www.ncnb.org/>**

*(Dedicated to building stronger NGO boards and NGOs; focus on NGO Governance)*

**<http://www.escape.ca/~rbacal/articles.htm>**

*(Online articles on Nonprofit Management Problems, Solutions & Issues; Training, Development, Learning & Human Resources; Defusing Hostility & Cooperative Communication; Change Management: Teams & Team Development, etc.)*

**<http://www.mapnp.org/>**

*(The Nonprofit Managers' Library: information, materials and links on topics such as Administrative Skills; Boards; Chief Executive; Communication Skills; Ethics for Managers; Finances; Fundraising/ Grant Writing; Marketing/Public Relations; Management & Leadership; Training & Development; Personnel & Policies; Program Evaluation; Strategic Planning; Quality Management; Volunteer Management)*



<http://www-personal.si.umich.edu/~nesbeitt/nonprofits/nonprofits.html>  
(Information and resources about Nonprofit Organizations, including Funding, Management, Technology, Philanthropy, Volunteer Activity, Programs and Activities)

<http://www.fundraising.co.uk/>  
(Everything on Fundraising: information, links, strategies, agencies)

<http://www.idealists.org/>  
(Huge database on NGOs worldwide, including publications, materials, programs and links. See <http://www.idealists.org/tools/tools.htm> for a list of useful resources for starting and managing a nonprofit organization. Categories include Financial Management; Foundations; Fundraising; Government Relations; Lobbying; Management; Personnel Management; and Public Relations).

<http://www.tmcenter.org/library/links.html>  
(Extensive list of links and resources for Nonprofit Organizations)

<http://fdncenter.org/>  
(Includes an online library – see <http://fdncenter.org/onlib/onlib.html> - with links to nonprofit resources; Material on Grant Seeking; a Guide to Funding Research and Resources; a Proposal Writing Course; Literature on the Nonprofit Sector; and Common Grant Application Forms)

<http://www.jsi.com/idr/idrmast.htm>  
(Links, information and reports from the Institute of Development Research, an independent nonprofit research and education center)

<http://www.oneworld.org/euforic/cap.htm>  
(Resources on Capacity Building and Institutional Development)

<http://www.worldlearning.org/>  
(Educational services NGO with a people-to-people approach that undertakes projects in International Development, Training and Capacity Building, NGO Management, and Democratic Participation in Development Countries, Newly Independent States and Societies in Transitions)

## CONFLICT RESOLUTION AND NEGOTIATION SKILLS

<http://urban.csuohio.edu/~sanda/conflict.htm>  
Extensive compilation of Conflict Management Resources

<http://adrr.com/>  
Mediation and dispute resolution resources with many on-line materials for alternative dispute resolution and mediation.

[http://www.colorado.edu/conflict/peace/%21treating\\_overlays.htm](http://www.colorado.edu/conflict/peace/%21treating_overlays.htm)  
International Online Training Program on Intractable Conflict, Strategies for determining what the conflict is about and how it is being addressed.

<http://www.mediate.org/>  
Site specializing in conflict resolution, decision-making assistance, facilitation/mediation, training, and consultation in the above mentioned areas.

<http://hr2.hr.arizona.edu/hris7.htm> and  
<http://hr2.hr.arizona.edu/tools.htm>

*Tools how to manage and resolve conflict, facilitate change, make decisions and mediate.*

<http://www.bbraham.com/html/negotiation.html>

*Negotiation tips for all kinds of situations.*

<http://mhnet.org/psyhelp/chap13/chap13m.htm>

*Conflict resolution and other helping skills from a psychological viewpoint.*

<http://mhnet.org/psyhelp/chap13/chap13o.htm>

*Psychological self-help on decision-making and problem-solving.*

<http://edge.lope.org/resource/document/htmldocs/8690.htm>

*Article on problem-solving from the Entrepreneurial Edge magazine.*

<http://edge.lope.org/resource/document/htmldocs/8659.htm>

*Article on negotiations skills.*

<http://pertinent.com/pertinfo/business/kareCom91.html>

*Tips and examples on how to solve everyday conflicts.*

<http://pertinent.com/pertinfo/business/yaticom.html>

*Article on communicating across cultures.*

[http://www.onlinewbc.org/Docs/manage/comm\\_style.html](http://www.onlinewbc.org/Docs/manage/comm_style.html)

*Tips on understanding and improving communication styles.*

<http://smartbiz.com/sbs/arts/bly60.htm>

*Article on how to improve negotiation skills.*

[http://mapnp.org/library/prsn\\_prd/prb\\_bsc.htm](http://mapnp.org/library/prsn_prd/prb_bsc.htm)

*Guidelines to problem-solving and decision-making skills.*

[http://mapnp.org/library/prsn\\_prd/prb\\_bsc.htm](http://mapnp.org/library/prsn_prd/prb_bsc.htm)

*Comprehensive toolbox on resolving conflicts.*

<http://www.mediate.com/articles/nonprofit.cfm?plain=t>

*Article on managing conflicts in NGOs.*

## HUMAN RESOURCES

<http://www.nwlink.com/~donclark/hrd.html>

*(Website for Human Development Resources, including articles, online Training Guides, links to Training, Human Resource Development, and Learning Information)*

<http://www.nbs.ntu.ac.uk/staff/lyerj/list/hrpub.htm>

*(Internet publications on Human Resource Management)*

**<http://www.tcm.com/trdev/>**

*(Training & Development Resource Center for Human Resources)*

**<http://www.astd.org/>**

*(Website of the American Society for Training and Development with information, tools, articles and links to training, performance, evaluation etc.)*