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Agenda Setting in Real-Life Negotiations

Many negotiators in union/management disputes or business, academic, legal, political, religious and social settings work with multiple parties. Frequently several parties join together against a more powerful employer or group despite not having identical needs, goals and interests. This article compares “real life” accounts of the strategies used by three experienced union and management negotiators with recommendations derived from laboratory research which examine the effect of issue agendas, decision rules and power imbalances on the quality of negotiated agreements in classroom settings using simulated problems.

Research in laboratory settings

In the workplace setting agendas for negotiations are often advocated because they provide limits to the time available and control of the order in which issues are discussed. Critics, however, see discussion of single issues independent of other aspects of the problem as inimical to the discovery of integrative solutions because “trade-offs cannot be achieved without the simultaneous consideration of two or more issues” “[“package agendas”] (Thompson, Mannix and Bazerman, 1988. P. 88). Researchers in negotiation suggest that breaking down complex problems into discrete elements and dealing with these one by one (using “sequential agendas”) so that once agreed upon, that part of the issue is not revisited, is less beneficial for all parties than leaving all the issues on the table throughout the discussion so that in the final negotiated “package” integrative solutions can be forged through negotiators trading off issues of more or less importance to each party.

Satisfying everyone is generally regarded as impossible. In folk terms, “You can satisfy (or fool) some of the people all of the time, but not all of the people all of the time”. Alternatively, in politics and community decision-making “majority rules” predominate, or if there is no majority then the views of the largest minority may hold sway. However, despite the speed and efficiency of a “majority rule” decision-making process, many people are not satisfied with the outcomes of negotiations conducted in this way. Thompson, Mannix and Bazerman (1988) advocate that negotiating groups be encouraged to reach unanimous decisions which meet the goals of all participants, thus leading to more commitment to outcomes. Including minority groups in the process ensures that the relative strength of individual preferences becomes important. Critics of this position suggest that requiring unanimous decisions takes longer and is more likely to result in an impasse. ref?
Using a sample of college undergraduates Mannix, Thompson and Bazerman (1989) found that small groups “using sequential agendas were less likely to achieve mutually beneficial agreements than groups using package agendas” (p. 508). They also found that “majority rule” led to less beneficial outcomes than “unanimous rule”. This followed earlier work by Thompson, Mannix and Bazerman (1988) who found that negotiation groups using a unanimous decision rule were more likely to integrate their interests to achieve higher group outcomes than were groups that used majority rule. Furthermore, they found that negotiation groups that followed an explicit agenda and used a majority decision rule distributed resources more unequally. They suggest that “in groups with unequal power, the negotiation over distribution and fairness may overwhelm the search for an integrative agreement (Mannix, Thompson & Bazermann, 1989, p. 510)”.

Mannix, Thompson and Bazermann (1989, p. 515) admit that their laboratory studies are less likely to be generalizable to larger groups because of difficulties in achieving unanimity in a reasonable time. In addition, they point out that the more people involved in the negotiation, the greater the number of issues involved, and the greater the complexity of the patterns of preferences which militates against unanimity of outcomes. In fact, in real life, and especially in union-management settings, negotiators operating where power is often not equal appear to achieve outcomes using the opposite of the techniques that were successful in laboratory settings. From the transcripts of interviews with experienced negotiators quoted below it can be seen that practising negotiators exert great control over the issues raised and the order of these issues at the negotiating table.

Nevertheless, the practitioners and the laboratory scientists may not be talking entirely at cross purposes because it appears that with experience in the development of integrative solutions practitioners develop techniques for controlling the effects of disparities of power and the limiting effects of sequential agendas. In part they are able to achieve this because their negotiations are not one-off affairs. Unlike a laboratory negotiation that can be finished and scored in a day, in real life negotiations are never absolutely final. As “Bill” (one of the union negotiators interviewed) says, “You live to fight another day. You just say to the company. OK, well, you’ve gotten the hours that you wanted but that issue won’t go away”. In the case of a less than mutually beneficial package the same negotiators will seek to even out the situation later. The less beneficial the deal is to one or more of the parties involved, the sooner the parties will meet again. That said, it is curious that although their negotiations spread over a much longer period than classroom simulations these practitioners use the metaphor “at the end of the day” to signify closure of separate phases of the negotiations.
In this study, I interviewed three negotiators working in union/management negotiations in Britain: “Bill” from the Manufacturing Science and Finance Union who discusses negotiations on behalf of workers in car manufacturing, “Andy” from British Telecom Management and “Ellie” from the National Communication Union. Andy and Ellie were both involved in British Telecom negotiations. Each describes negotiations and how they see their role.

The negotiators
Ellie’s description of how she operates paints a picture of “controlled discussion”. Since she is usually looking for an integrative agreement, it will be she (as negotiator) who will deliver it. There is wide discussion of issues, but not only at the negotiating table. There the process is military-like in its precision. She doesn’t directly say she has an agenda and it may be that she is willing to “package” what is written on her sheet of A4 paper which has many of the attributes of an “agenda”. Her control over the inputs of her team mean that their unscripted comments don’t close any options, don’t preempt any decision. Ultimately, however, she is limited in her ability to “package” by what will be acceptable to the union members she has consulted outside the meeting.

Some of her comments illuminate the process she adopts.
On preparation: “Depends on the issue. Survey the whole membership; look at what outside companies do, or make a straight value judgment about what is the right or wrong principle. Before I go into a meeting I will have mustered the key points I want to make on a sheet of A4 and know where I want to lead that meeting. I try to anticipate the employer’s point of view by spending time talking to people on the employer’s side, trying to get the feel of why they got to that position.” She suggests a need for “talking to the people who created the policy in the first place”, who may not be the negotiators present.

Controlling the meeting: “Some officers prefer everybody to chip in. I don’t. Not because I don’t want people to come in, quite the opposite, I’m quite happy to systematically call people in, but I think if you all chip in, it’s easy to lose control of the meeting and the control of the direction of where you’re trying to get to”.

On decision-making: “I like to do things by consensus, but at the end of the day there has to be a decision. I will spend quite a lot of time consulting people, seeing their view, because I believe in the consensus approach of involving people, but at the end of the day I like there to be a very clear decision and I like to have a very clear role in recommending what that decision may be. I may be defeated which is fine, but I like a very clear sense that what we’ve decided where it is we’re trying to get to. I’ve seen it
number of times that people go into a negotiating meeting and have totally different conceptions of where they think they’re trying to get to and what they want to get out of a meeting. It leads to all sorts of discontent and rumbling and all sorts of problems. So I like to go for the widest prediscussion and consultation and then bring it to a head with a very clear decision”.

On dealing with power imbalance: “Negotiating is about power politics in the sense that you want to get something for a group of employees where the balance of power is with the employers. It’s not just a sort of interesting discussion. You don’t go into the negotiating meeting without your own team agreeing and being clear in their mind with you where you’re going and what you’re aiming for”.

Similarly, “Andy”, the negotiator for British Telecom management, exerts strong control in the actual negotiation, but much of the acceptance, the unanimity of the final agreement is achieved outside the meeting room, in the months of discussions about “cost basis”, and in “conditioning them to change”. So what seems like an agenda-led discussion has flexibility which he describes as his own “resilience”, “intuition” and “ability to see and pursue and an opening”.

Andy outlined how he reached agreements with the National Communication Union. “We spent a lot of time in the preparatory work, conditioning them to the need for change,. . . to the need for simplification and the need for it to be a fairly economic changeover. We have done a lot of preparation over a number of months. Yesterday we actually got down to the quantum, the money. Was it going to be this, or that or this? I knew what my outer level was. With three and four recesses back and forward we moved one way and then another, always with a view to getting a package which was acceptable to the company and which met the union aspirations. So there’s two different sets of negotiations. One set is where you’re actually down hard bargaining and another set of negotiations is where you’re trying to facilitate change”.

Andy sees his strengths as a negotiator, “being resilient. I can wear them down, I can be charming when I need to be, I see the opening, pursue the opening, sometimes taking a few risks and using a bit of intuition. Knowing the subject, knowing the people you are dealing with and seeing how far you can go. Know what you can say, how far you can go and what support you’ll get.”

Like both union negotiators, Ellie, and Bill from the Manufacturing, Science and Finance Union, Andy stressed preparation, which involved “working out beforehand what we are going to say and who is going to say it”. At the same time he acknowledged that there must be flexibility too. Negotiators need, “the ability to think on your feet, the
ability to analyse a problem, to be decisive when you need to be, to back off when you need to”, which are the skills of “integrative” problem solvers.

As with the other two negotiators, Bill from the MSF Union emphasises consultation and fact finding. He sees his preparation, his research and stores of information as providing him with the best chance of achieving a solution. He calls it a “dialogue”, while indicating that unwillingness by management to consider reasoned arguments leaves open the option for workers to strike. He, too, uses the word “package”, explaining the give and take and the changing emphases there are throughout the negotiations as options are considered. He lets the workers know what has been traded, and what the employers want in exchange for worker’s demands. He sees that it is important for the negotiator to listen and “read” the other party to the negotiation, to take advantage of hints or “nuances” indicating movement by the other party. So, although Bill specifically talks about “agendas” and about using them “to clear the deck”, he also seeks integrative solutions through wide discussion of the issues.

Bill: “Been negotiating for twenty years. A good negotiator is someone who can absorb information, do it quickly, someone who can present a balanced argument. Having absorbed the brief, someone who having been told what the issue is, someone who can then put forward a balanced argument, an informed argument, someone who listens well because often in negotiations there’ll be a hint of a door opening and you’ll have to listen closely to hear the nuances. If you understand the nature of the industries you’re dealing with it’s a great help”.

Bill describes negotiating on behalf of thousands of workers on pay claims. He begins by calling together a hundred staff representatives and asks what they want to see in a pay deal. If it came to 20 items (what he calls a “shopping basket”) he would then call in a negotiating committee, a team to help prove the claim to the company. The negotiating committee reduces the initial demands. “Narrow it to the essential”. The Research Department then provides an overview of the car industry, whether it’s making money or not and if not, why isn’t it. Bill receives details of wages and conditions trends within the industry. “It’s very important to say to an automobile company, ‘Other companies are paying . . . .’ He also receives details of specialist areas, pensions, equal opportunities, and it’s his job to make the pay claim coherent for ten thousand staff.

In Bill’s view a person negotiating on behalf of the members should “define the problem and search for common ground, because if there isn’t common ground of what the problem is, then you’re going to spend hours wasting each other’s time, so you must define the problem and in doing that you establish that both sides accept that that’s the
problem. You then define how the problem can be resolved. You have to put alternatives and employers will expect to have a reasoned argument put to them. ... I’m interested in getting into a dialogue to solve the problem, but at the end of the day if they won’t solve it, then I’ll tell them what we’re prepared to do to force them to solve it”.

Bill explains what he is doing to his constituents. If the members “make waves” he expects to go back and explain by “standing up in front of them and putting the case forward”. He explains, “When you’re in negotiations it’s a complex business and you are bargaining to put the weight and emphasis on one area and maybe reducing the weight and emphasis on another area because at the end of the day you’ve got to come up with a package. In negotiations you’ll be balancing how far you can press on this front and maybe have to give something up to make a move ... finding you can press on on other fronts and what you need to give up to make a move there, so at the end of the day you come up with a complex agreement and you go to the membership and you explain it to them and ask them to vote on it. If they break the agreement the only way I ever know of putting that before them is to call the members together and just remind them of how we got to where we are, what the benefits were of getting that agreement and why they should continue to honour it”.

During the negotiation Bill brokers “a marriage” between the different parties of the union. He sees a “package of negotiations” sorting itself out. Alternatively he expects more discussion and a new “package” or industrial action. He sees himself as a professional with judgement. “The art of a good negotiator is to know when to take the money and run. There’s always going to be a settlement there somewhere. How many offers is the company going to make before their patience snaps? You just have to have a feel for when the final offer is tabled and they really mean it.”

In negotiations over a union drive for a reduction in hours worked for base pay Bill saw that the company’s “big improvement in the pension fund” was an attempt to “manipulate procedures”. The union negotiators talked to both sides, unwrapping attempts to manipulate. They let the workers know what had been traded, and they also let the company know that the issue of a shorter working week would come up again. He recounts, “Now what we did is go to the workforce and say, ‘This is what they’re doing on the economic front and this is what they’re prepared to do for you in terms of pensions or something and the hidden agenda for you is that it’s a buyout to avoid a shorter working week’. So to the company you say, ‘Well you’ve got the hours you wanted, but history will bring it back in a shape and form you won’t find so easy to manipulate’ ”. Bill sees himself as explaining management to the workers and workers to management in an uncertain environment.
Clearing off the agenda or leaving issues on the table: Comparing laboratories with real life

Bill’s technique is “to try to clear off the agenda the things that can be easily agreed on and then to focus on the hard issues that remain”. He says he finds that if you do that, there is less tendency to manipulate during the negotiation process. At a national level, bargaining has “lots of wheels and complexity, lots of things going on, and the negotiator has to plan where to lay emphasis and where to begin to drop an issue so that you can focus and concentrate on another issue”. Bill paints his role as one who “clears the deck”. First, he talked about “cutting down the shopping list” and here he “cleans up the agenda”. Against this, advice to negotiators gleaned from simulated negotiations is that it is better to retain multiple issues in order to have things to “trade”. Mannix, Thompson and Bazerman (1989) quote Fix up quote say, “One common way negotiators may reach integrative agreements is by making trade-offs, or mutual concessions on issues of low importance while gaining on issues of greater importance” (Pruitt, 1981). Mannix et al. point to research on dyadic negotiation that “indicates that unrestricted and simultaneous discussion of issues yields higher joint profits than issue-by-issue discussion” and they claim that sequential agendas where issues are raised, discussed and voted on in order, “limit the information available to decision makers about the pattern of preferences in the group and restrict simultaneous consideration of issues” (p. 509). They refer to also influence the options that are considered. Thus it appears that what Bill says he does in the field does not accord with the academic researchers’ advice about how to achieve integrative solutions acceptable to all players. From their stance Bill appears to be limiting the options and reducing the likelihood of integrative solutions. For him union negotiation consists of two phases: In the preliminary round union representatives negotiate with their members the issues to be raised at the table. There are often conflicts of interest among the members themselves, particularly in large amalgamated unions. These need to be ironed out before they meet the employers for the second phase.

Union-management negotiations are thus not closely comparable with laboratory research. Union negotiators operate as a dyad with the other side’s negotiators even though they bring along a group to sit around the table. The normal volatility and unpredictability of a group is controlled and governed by rules of interaction insisted on by the leaders. Thus each group becomes one voice. However, union negotiators have had to distil this one voice from negotiations with members where many voices clamour to be heard and various interests vie for dominance. It is the job of the union negotiator to solve this situation, to arrive at a unified case to discuss with management, and at the table to control the people he or she brings along. In this way power differences are
controlled. Two groups of skilled professional negotiators meet each other knowing the rules of the game, each depending on the level of preparation of their case and the arguments they can make - unlike inexperienced college students used in laboratory research.

**Majority or unanimous rules**

Mannix et al. (19 ) suggest that “In American society the choice is often between majority or unanimous rules”. They claim that majority decision rules allow powerful coalitions more power than they would achieve than if they followed unanimous decision rules. Not all needs will be met. Bill sees that on his side of the table there is often a lot of what he calls “creative tension”, and that “there are many unions alongside us with different interest groups, technical sort of people, research and development, a foreman interest group, a supervisor’s interest group and a clerical office interest group”. At times he finds real difficulty in trying to reconcile all the interested parties. He appears to choose the interest of the most people. The foreman group may say that there’s no way that they are going to proceed and no way that they can see a settlement. In the meantime, Bill says, he puts the offer to everybody else and gets a result. If he sees that the “foreman group”, for example, is motivated by self-interest, he won’t “put a claim that is at the expense of other members”, nor will he “waste his breath trying to persuade people”. Unanimity is not required.

Thus, not only is Bill a “boundary spanner” between union and management, he operates as a “gatekeeper” on claims. When there are competing groups Bill adopts a majority rule. Indeed, from Bill’s account, decisions must be whittled out of broader claims into something achievable and likely to have wide benefits. Minority interests need to be linked with other communities of interests to be included in the negotiation agenda, but majority rules apply.

**Getting to resolutions**

While noting that “many real world groups use majority rule especially as group size increases because it is less time consuming” Mannix et al. (19 ) argue that majority rule “fails to recognise the strengths and to discourage trades-offs that are critical to integrative decision making” with the result that “when more than two issues are to be negotiated, majority rule is subject to numerous methods of strategic manipulation and paradoxes of voting, resulting in inefficient outcomes” (p.510). Thus they suggest that the time-honoured technique of “putting it to the vote”, while democratic, does not necessarily provide optimum solutions which a unanimous solution would. These ideas come from analysis of negotiating solutions of university students working from scenarios and thus may have little credibility for negotiators who work with a repertoire of techniques distilled from experience. Such techniques may not be articulated, but lie
ready to be energized when negotiators recognise a pattern of behaviour which calls for their intervention. Bill recognises that he is wielding power, but justifies this pragmatically through claims that his strategies provide benefits for the greatest number while not foreclosing on the option to come back to the table again for issues not raised in the present encounter. Unsolved problems pushed aside in the search for agreement are not forgotten but stay to be, as Bill says, “revisited” in the future.

Differences between the recommendations of researchers using scenario situations in simulations and negotiators in the field may be due to the fact that even realistic sounding scenarios would rarely match the complexity of issues of a real life situation where all the background issues are available to a conscientious practised negotiator in that area. Thompson, Mannix and Bazerman (1988) had found in dyads that more integrative solutions came from keeping issues open rather than dealing with them one-by-one as on an agenda and not re-opening issues already decided. For Bill, as a union negotiator, opening up the problem would cause a perception of disunity. Having seen the dangers of opening up the problem, real-life negotiators avoid this.

However, it may be that practiced negotiators are able to “size up the situation” and work out a fairly precise level of agenda setting that packages the issues likely to be able to combined, allowing those not so connected to be dealt with separately. Abilities to see integrative solutions may be honed by practice and negotiators may well be able to “let go” of an issue that, as Bill says, will resurface later so that they avoid stalling a whole series of negotiations because one part of the group was caught on an issue. Cognitive abilities in keeping a number of issues active simultaneously may be a necessary part of a negotiator’s kit bag. Even if the union negotiator and his or her management counterpart are able to do this they may be accompanied by observers from their constituencies who are unfamiliar with the cognitive balancing act of credits and losses going on when negotiators are moving simultaneously on different fronts. What may be a graceful balancing act may be difficult to articulate in a linear fashion to one’s supporters.

Bill has learned on the job that when negotiating for groups this process has to be carefully handled and he favours agendas although much of what he does appears to be “contained integration” within the items on his agenda. In fact, in their earlier research Thompson, Mannix and Bazerman (1988) did not find the differences they expected in integrative outcomes between three person groups instructed to work according to sequential agendas and those not so instructed. They suggest that a reason for this lack of support for their hypothesis that a strict order where issues were not revisited would lead to less integrative outcomes was that negotiators not given explicit instructions to devise sequential agendas may have “spontaneously formed their own sequential
agendas, thus eliminating difference between conditions” (p. 509). Thus “clearing the deck” may be a “commonsense” way of organising issues in multi-issue negotiations, but not an optimal one, as clearing off issues reduces the negotiator’s ability to revisit issues in the light of later discussion in the interests of a more integrative solution. Mannix et al. (1989) suggest that “mixed-motive small groups that have integrative potential, the time necessary for problem solving, and are not averse to impasses should avoid the use of sequential agendas, especially if the group invokes a majority decision rule. Issue agendas make it difficult for groups to consider trade-offs between issues that integrate negotiators’ underlying interests. In addition, research in the negotiation literature supports the use of unanimous, rather than majority, decision rules to increase the probability of integrative agreements in mixed-motive decision making” (p.516). This could well be good advice, and indeed research results show it to be so. However, the long process of learning what will satisfy parties in real life negotiations between union and management experienced negotiators opt for agendas at the actual negotiating table. However, even when Union/Management negotiators use words like “clearing the deck” they are speaking also about “getting a package” for which they have done long preparation.

Mannix et al’s (1989) research was conducted with groups of students and is not strictly comparable to the union situation where competing interests must first negotiate to present a united case to avoid exploitation of their divisions Union negotiators like Bill are aware that there will be further rounds of negotiation where issues not raised on this occasion can be explored. However, by engaging in laboratory simulations and being required to reach unanimous agreement about the final package, people learning to negotiate will appreciate the complex balancing act engaged in by experienced negotiators even when they appear to be working from an agenda. Classroom researchers, teachers and experienced negotiators continue to have much to say to one another.

Dixit & Nalebuff

