

## Book review

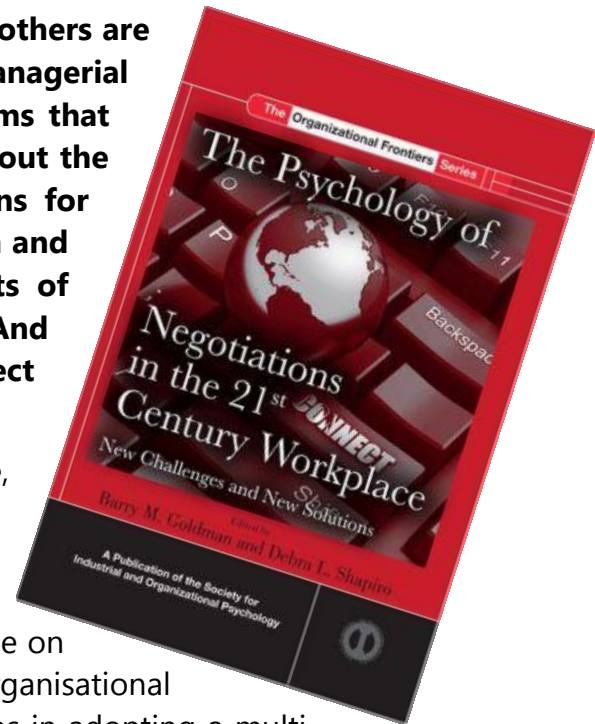
Barry M. Goldman and Debra I. Shapiro (eds.) (2012)

The psychology of negotiations in the 21<sup>st</sup> Century: New challenges and new solutions  
Routledge (30 May 2012)

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**Great claims are made for this book, some are justified, others are not. Although it may appeal to those HR and managerial practitioners comfortable with 'HR management systems that emphasise the importance of negotiation skills throughout the organisation' (p.450), it also holds potential attractions for those academics who believe in a science of negotiation and share Karl Popper's beliefs that, 'We are not students of some subject matter, but students of problems. And problems may cut right across the borders of any subject matter or discipline' (p.454).**

The biggest criticism of the book is that, despite its title, there are no references to trade unions and no more than two passing references to labour relations in the full body of work. This hardly supports the contention that the collection marks a shift from a focus on the individual to one on the organisation and society. It also suggests that organisational psychology is no substitute for traditional industrial relations in adopting a multi disciplinary approach to workplace issues. The contributors to the seventeen chapters in the book examine a range of key issues that they see as important in understanding the future of negotiations theory and practice. These are fairness, emotions, social influences and group sensitivity, and the organisational context. These need to be viewed in the context of the 21<sup>st</sup> Century workplace where it is argued that the key features influencing negotiations are litigation, organisational restructuring and downsizing, the globalisation of products and services, employee diversity, and greater reliance on technology mediated communications. Negotiation is seen as being less expensive than litigation in resolving conflict. The negotiation skills of individual managers provide a source of sustainable competitive advantage and to this end there is a need to create more positive *relational* and *economic* outcomes in negotiation exchanges.



The negotiation skills of individual managers provide a source of sustainable competitive advantage

Chapter 6 recognises how employees might use strategies of revenge and retaliation as alternatives to negotiation where management behaviour is deemed unacceptable. In these situations management need to have conflict mitigation strategies built around the use of *Media Richness Theory*, and the considered, measured, and appropriate use of communication systems. This relates to building up organisational foundations of trust, paying specific attention to the role of leaders, and the application of appropriate behaviours including avoidance of the '*bombardier effect*'. Essentially parties need to use media rich formats (the most pronounced of which is face- to- face) rather than media lean ones, where computer mediated communications are more likely to lead to feelings of mistrust, encapsulated in *Sinister Attribution Theory*.

In placing negotiations in the wider context of how employees are managed and an open systems approach to this, *Organisational Justice* is given prime importance in leading to positive outcomes - there is also recognition of the importance of managing perception, subjectivity and emotion. It is contended by contributors that *Organisational Justice Theory* has neglected the role of negotiation; a sense of injustice will lead to more competitive and non-cooperative behaviours, whilst justice will lead to more integrative forms of bargaining.

Chapter 2 identifies strategies to enhance perceived fairness. These include, from *Distributive Justice*, defined standards of comparison recognising generous outcomes on related bargaining issues (i.e. tradeoffs). There is attention to *Procedural Justice*, including Leventhal's six principles and the role of negotiation in the expression of voice. The importance of exercising polite, dignified, and respectful behaviour signifying trustworthiness is drawn from *Interpersonal Justice* and underpins positivity in ongoing relationships. This includes co-operative behaviour which is seen as a result of voluntary choice rather than coercive pressure. Related to this is *Informational Justice* and the provision of credible and sincere accounts within the negotiation narrative, which are made in a timely way.

However practitioners have to recognise the limitations of *Organisational Justice*, and that the subjective views of employees as to what is fair may *not* be compatible with what might be regarded as objective standards of fairness. Equally and more cynically, management may manipulate and subvert the concept of fairness in negotiations by, for example, limiting the issues that may be raised and who may raise them. Additionally it is argued that a series of contemporary corporate scandals encourages observers to, 'interpret "moral" behaviour, such as 'fair processes, with suspicion' (*ibid* p.62).

Going beyond *Organisational Justice* are those sections that recognise the broader organisational context and the importance of an open systems approach. Chapter 12, therefore, persuasively advocates the importance of *Organisational Learning*, so that negotiators achieve better results, but which also allows organisations to better capture knowledge from negotiating activities, including through the use of IT. Carefully designed organisation learning strategies allow for gathered knowledge to be disseminated and utilised throughout the organisation.

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More importantly Hughes, *et al.* emphasise the strong '*ripple effect*' (p.330) of one set of negotiations on another, promoted by the ubiquitous nature of the internet, the availability of data, and what can be learned from this: 'Organisations ... face the task of determining what knowledge to capture and how to organise such knowledge effectively' (*Ibid* p.352). They

explore in more detail not only dichotomies reflecting tacit versus explicit knowledge, and codification versus personalisation, but also *complexity* (or type of knowledge) versus *precedent intensity* (or frequency of the task as it applies within the organisation). This approach endorses those who advocate HR management systems that emphasise, 'the importance of negotiation skills throughout the organisation' (*ibid* p.450). Chapter 12 could undoubtedly form the basis for both an effective corporate management development programme and a trade union education initiative.

Elsewhere in the text practical aspects of negotiation are considered, highlighting how negotiators can put theory to use. A chapter on compensation packages has a measured consideration of Fisher and Ury's BATNA (the Best alternative To a Negotiated Agreement, or the least amount of value one can accept from an agreement). The authors discuss this in relation to traditional terms such as *target setting* and *bottom lines*, and the importance of *strategic anchoring* in preparing for and undertaking negotiations. However this chapter also furnishes the basis for an advanced negotiations workshop, providing additional tactical insights, for example the *Phantom* and *Ghost* options and the importance of *MAP* (My Actual Preferences) in organising one's thoughts before negotiations.

Chapter 9 emphasises the importance of networks and of going beyond a dyad approach in considering negotiations, citing Polyani that, 'Man's economy, as a rule is submerged in his social relationships' (*ibid* p.245). Detailed discussion of various types of networks informs how power can be increased within negotiations. This relates to how they are structured, for example, around similarities (group membership), social relations (friendship), interactions (advice) and flows (information, resources). Such an approach emphasises *Social Capital*, the benefits derived from relationships with others, and how the right networks can achieve better results. As organisations become flatter, and globalisation more significant, the importance of building both formal and informal networks increases in importance.

Linking back to *Organisational Justice*, Chapter 5 emphasises that as well as the objective value of a deal with an explicit set of terms, subjective values are equally as important. The parties need to recognise, the social, perceptual and emotional consequences of a negotiation. This theme is further explored in Chapter 13, where a potential pitfall is the disengagement of the original negotiators from the contracting stage - how the agreement will operate in practice. This may be because of the pace of business, technical complexities, or because it is perceived as boring. Such an approach ignores the psychological dimension of a contract, and the importance of ongoing managerial and relational considerations, the need to build trust, and ensure the contract is consistent with the deal struck. What occurs after a deal is as important as the agreement itself. Where the terms of contract signal distrust, or try to codify or clarify too much, include inappropriate contingencies, or ignore uncertainties, an agreement may fail.

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One aspect of diversity, in a world described as more global, are issues deriving from ethnocentrism. Chapter 10 examines why cultural stereotyping may make negotiations more difficult and how this issue can be addressed. This includes increasing cultural sensitivity, paying attention to social cues in specific situations, whilst recognising the individual (as opposed to the cultural) characteristics of one's negotiating opponent. An important aspect of diversity

concerns gender; negotiation has traditionally been a male dominated area. Women are less likely to initiate negotiations, to be confident where information is lacking, or to negotiate compensation packages, and those that do obtain agreements of less value (ibid, p.108-109). Chapter 11 further explores women's experiences of negotiation and the different ways in which men and women negotiate, with women stereotyped as less effective in this activity. Ironically women who violate this negative stereotype are seen as less likeable people. There is some very worthwhile discussion of women's disadvantages in the labour market, including the gender gap, this is accompanied by discussion of the importance of training women in negotiations something supported by legal initiatives in the USA.

This collection provides some important insights into negotiation science, and is to be lauded for seeking to place negotiating activity in a broader more encompassing context. It satisfactorily enunciates developments which can inform the growth of managers and practitioners. It quite rightly emphasises the neglect and importance of field studies in negotiations research. A more coherent and consistent style, together with a glossary of terms, would considerably enhance its goal of practitioner dissemination.

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