Managing Others' Reactions in Strategic Network /Alliance Negotiations: Triumph of the Nerds

Edward George Fisher[1]

Abstract

This paper presents recent reformulations or extensions of strategic negotiation and illustrates their application to network/alliance negotiations via a documentary of the history of the personal computer: "*Triumph of the Nerds*" (Cringely 1996). Two core concepts are an overarching dual concerns model of strategic (style) choice and the three-pronged formula for changing mindsets during the process. The dual concerns are for the (1) substance of the deal (e.g., price, quality, or negotiator reputation) and (2) parties' relationship (e.g., their interdependence or working relationship). The dual concerns help a strategic negotiator resolve the negotiator's basic dilemma: the extent to which they should *compete or force change* versus *jointly problem solve or foster change*. Competing or forcing tend to harm or destabilize relationships, while collaborating or fostering normally stabilize or improve them. A critical composite index of the parties' working relationship comprises *respect, trust, and commitment to uphold the deal*. Key moderating variables may deflect from the style chosen via the standard dual concerns model. They include negotiator (1) control or influence over organizational decision making, (2) personality, and (3) reward structure, as well as (4) culture, (5) norms of professional conduct, and (6) negotiation dynamics (e.g., individual versus representative). Organizational influence often involves network analysis (Watkins 2002). Where negotiator influence is high, their personality or reward structure can shape negotiations and, of course, others' reactions (Fisher 2007c). The three-pronged formula involves (1) demonstrating a performance gap or major problem (to plant the seed of doubt), (2) threatening or actually using a sanction (to play on worst fears), and (3) providing incentives to change (to induce closure) (Fisher 2007a). I illustrate the application of such concepts to managing others' reactions via Cringely's (1996) documentary. The two segments concern the crucial strategic negotiations that made Microsoft what it is today and Apple's proprietary graphical user interface.

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[1]Edward George Fisher is at the University of Alberta: **jed.fisher@ualberta.ca**.

1 Introduction

Strategic negotiation serves to form, maintain, sustain, or terminate networks or alliances. The parties essentially search for an elusive formula that will satisfy needs or at the very least be ratified (Zartman and Berman 1982). In Walton and McKersie's (1965) balance theory, a lopsided deal within the attainable common ground will destabilize the parties' working relationship, while one better satisfying needs typically will stabilize or improve it via so-called attitudinal structuring. This represents one of the various reactions by others to be managed in strategic network/alliance negotiations (Fisher 2007b).

Building on Walton and McKersie's (1965) seminal work and its classic reformulation and extension by Walton, Cutcher-Gershenfeld, and McKersie (1994), my professional sports' bargaining trilogy appears to have reformulated or extended the literature on strategic negotiation: Fisher (2007a, 2007b, 2007c). In particular, Fisher (2007c) builds an *overarching* dual concerns model of strategic (style) choice (e.g., Lewicki, Hiam, and Olander 1996: 57). It adds critical moderating variables to the dual concerns of the (1) substance of the deal (e.g., price, quality, or negotiator reputation) and (2) nature of the parties' relationship. Explicitly articulated or reformulated are two key determinants of the latter: the parties' interdependence and working relationship, as reflected in a composite index of respect, trust, and commitment to uphold the ensuing deal.

Critical moderating variables added include negotiator (1) influence over organizational decision making, (2) personality, and (3) reward structure, as well as (4) culture, (5) norms of professional conduct, and (6) negotiation dynamics (e.g., individual versus representative) (Fisher 2007c). Following the conceptual framework's presentation, I highlight and illustrate the roles of negotiator personality and reward structure in determining others' reactions in a case study. It involves Cringely's (1999) documentary of the history of the personal computer entitled "Triumph of the Nerds." The two segments deal with the crucial series of strategic negotiations that enabled Microsoft to become the titan it is today and concerned Apple's graphical user interface.

My trilogy also appears to contribute to the practice and process of strategic negotiation. Fisher (2007a) presents and illustrates a three-pronged formula for changing mindsets. It comprises (1) demonstrating a major problem or performance gap (to plant the seed of doubt about the status quo), (2) threatening or invoking a sanction like walking away or settling elsewhere—Plan B (to play on worst fears), and (3) providing incentives to settle, change, or reconfigure the contractual formula—Plan A (to solve the problems jointly faced and induce closure). The first two prongs reinforce two of the key principles or actions that real professionals pursue: periodically recheck assumptions and set up safety nets or back-up plans (Fisher 2007c). Such Plan A versus Plan B decision making embodies and

expands on Walton and McKersie's (1965) seminal model of using the sanction as an investment to change mindsets (Fisher 2007a, 2007b).

The chapter is organized as follows: The first section introduces the relevant literature, while the second presents my conceptual framework (outlined above). I then apply it to the case study to illustrate how negotiator personality or reward structure can influence negotiating behaviour, including others' reactions, in strategic negotiations. Concluding comments follow.

2 Literature

At least two general strands characterize the extant literature on strategic negotiation. One commences with the seminal work of Walton and McKersie (1965), as reformulated and extended by Walton et al. (1994) and Fisher (2007a-c). The other strand concerns the dual concerns model of strategic choice based on substance and relationship (above). Fisher (2007c) developed an overarching one.

As Table 1 (page 4) shows, Walton and McKersie's (1965) seminal work focuses on competing (via "distributive" negotiations) versus cooperating (via "integrative" negotiations) and their effects on relationships. The latter occur via attitudinal structuring and balance theory. Also addressed is using the sanction as an investment device, including in complex (multi-directional) representative negotiations (via "intra-organizational bargaining"). Fisher (2007b) related Walton and McKersie's (1965) balance theory to Zartman and Berman's (1982) search for that elusive contractual formula to generate de/stabilizing factors in representative negotiations (below). The corresponding, sanction-laden, longitudinal case study tentatively confirmed the expected operation of those de/stabilizing factors.

Based on a set of case studies—many involving major turnarounds—Walton, Cutcher-Gershenfeld, and McKersie (1994) reformulated and extended that seminal work. Their focus was on labor relations change, specifically a change initiator's "forcing" restructuring the contractual formula or "fostering" such change. At the strategic choice level, Fisher (2007a) labelled forcing Option Y and fostering Option X. Of note, these options correspond at the negotiating table or operational level to Plan B—a sanction-induced settlement—and Plan A—a no sanction settlement. This sanction as an investment device (SAID) decision making comprises a key element of the three-pronged formula for changing mindsets (above). Plan B plays on worst fears to change mindsets, while Plan A provides incentives to settle or change. Fisher (2007b) transformed Walton and McKersie's (1965) SAID approach into the (Bayesian) decision framework of Plan A versus Plan B. He notably added as Option Z the strategic choice of pursuing a "process intervention" to change negotiations' dynamics or "process circumvention" to gain an imposed resolution. The former includes a caucus, a private session of chief negotiators, or mediation. The latter involves a decision imposed by a higher authority such as a court judge, arbiter, government official, or legislature.

Table 1. Paradigms of the behavioural theory strand compared and contrasted

Key Concept/Source: Walton and McKersie (1965)	Classic Reformulation and Extension: Walton et al. (1994)	Professional Sports' Bargaining Trilogy: Fisher (2007a-c)
Distributive bargaining chiefly focused on value-claiming (i.e., slicing the pie)	**Forcing** reconfiguration as in Walton and McKersie's (1965) conflict or containment-aggression (Figure 1)	**Option Y: power bargaining** often leading to power-based sanctions like work stoppages (Figures 2 and 3)
Integrative bargaining largely focused on value-creation (i.e., expanding the pie prior to slicing it)	**Fostering** change as in Walton and McKersie's (1965) accommodation or co-operation (Figure 1)	**Option X: power negotiating or interest-based bargaining** to effect a reconfiguration (Figures 2 and 3)
[At the bargaining table: **Plan A** = a no-sanction settlement; **Plan B** = a sanction-induced settlement]	[**Plan A's** contractual formula often provides incentives to settle or change; **Plan B—or its threat**—can play on worst fears to change mindsets]	**Three-pronged formula for changing mindsets: (1)** major problem, **(2) Option Y** or **Plan B**, & **(3) Option X** or **Plan A** (above)
[**Process intervention** includes a caucus, changing negotiators, or mediation]	**Process circumvention** to seek a decision imposed by a higher authority like a judge, arbiter, or government]	**Option Z: process intervention** (to change negotiations' dynamics) **or circumvention** (to get an imposed decision)
Attitudinal structuring as to parties' relationship, including as to others' legitimacy or friendship (Figure 1)	**Social contract** extending beyond purely contractual basis of containment-aggression or accommodation (Figure 1): a power-sharing accord built onto a standard quid pro quo	**Composite index of respect, trust, and commitment to uphold a deal** and **interrelation with dirty tricks and flexibility or open talk** (Figure 3)
Sanction as an Investment Device (SAID): invest in sanction to induce concessions that more than offset sanction costs (Figure 6)	**Forcing via power-based sanctions like work stoppages (or their threat) to induce fostering change**	**Plan A** (no-sanction settlement) **versus Plan B** (sanction-induced settlement) (Figure 6)
Intra-organizational bargaining: places the focus on factions among principals in representative negotiations, organizational politics, and coalition-building		**HIVE-Model** of **horizonal** (across table), **internal** (bargaining committee), **vertical** (voters or principals), and **external** (e.g., public or government) (Colosi 1999)
Balance Theory: cognitive dissonance raises level of conflict		**Search for elusive formula** and **ten (de/) stabilizing factors** (Table 5)

As Table 2 shows, the strand of the dual concerns model adds three style options to (1) competing versus (2) collaborating or joint problem solving. They involve a hybrid style, (3) compromise, as well as two polar extremes: (4) accommodate (settle near or on the other's terms) and (5) avoid (refrain from negotiating or exercise Plan B by walking away). Among other things, Fisher (2007c) adds the bully's "fight or flight" approach, as well as critical moderating factors that could deflect or turn negotiations from the style selected using the basic dual concerns model (above). He further presented and explained how real professionals manage the strategic negotiation process (below). The corresponding longitudinal case study notably concerned two union leaders who (1) had considerable influence over organizational decision making and (2) were bullies but (3) possessed opposing ethical standards and (4) pursued radically different reward structures.

Table 2. Paradigms of the dual concerns model strand compared and contrasted

Key Concept/Source: Games' Theoretic Approach	Basic Dual Concerns Model: Lewicki et al. (1996: 75)	Overarching Dual Concerns Model: Fisher (2007c)
Negotiator's fundamental dilemma: extent to compete versus collaborate	**Concern for substance (/self) Concern for relationship (/other)** to decide negotiator's fundamental dilemma	**Highlights or adds:** key proxy variables for relationship—**interdependence** and working relationship—**respect, trust, and commitment to uphold deal**
Compete versus collaborate	**Adds compromise, accommodate, or avoid** (decline or walk away = Plan B)	**Adds enforcer's compete or avoid approach**
		Key moderating variables: (1) organizational influence, (2) personality, and (3) reward structure, (4) cultural and (5) professional norms, and (6) negotiation dynamics (e.g., individual versus representative) **Detailed standards of professional conduct** (below)

2.1 Seminal Work of Walton and McKersie (1965)

Walton and McKersie's (1965) seminal work explored and developed the concepts that follow (Table 1).

2.1.1 Distributive versus Integrative Bargaining

Distributive bargaining involves competition or "*value claiming*," to "slice the pie," while integrative bargaining concerns collaboration or "*value creation*" to "expand the pie" (Business Literacy for HR Professionals 2005). "*Close to the vest*" or "*control the agenda*" talk characterizes the former. Embodying honesty and fair reciprocity, "*open talk*" typifies the latter. As such, it fosters satisfying needs or meeting interests and priorities (Fisher 2007a). Hence, integrative bargaining tends to sustain or improve relationships, and vice versa.

Distributive bargaining can be either ethical or unethical. Involving "dirty tricks" such as duplicity, deception, personal attacks, threats, and lock-in tactics, "*tricky bargaining*" often is unethical (Fisher, Ury, and Patton 1995). Many people react negatively to or resent aggressive "hardball" negotiating, especially when combined with power-based sanctions like work stoppages (Williams 1990).

Fisher (2007a, 2007b) uses *power bargaining* to term tricky and rather aggressive or bullying bargaining which is intended to lead to a settlement favoring the perpetrator. Its use pushes many recipients off balance, often forcing them to make concessions they normally would not make. The bully's "my way or the highway" approach may even force the other to comply with the bully's terms offered as their Plan A (Lewicki et al. 1996) Ethical power bargaining often structures attitudes towards the relationship less corrosively than tricky bargaining.

Following Dawson (1999), Fisher (2007a, 2007b) refers to *power negotiating* as ethical competitive negotiating designed to make the other side feel like a winner and want to renegotiate again. It uses the ritualistic posturing, patience, and closed or control talk of Fisher et al.'s (1995) "positional bargaining" to make the other side feel as though they earned the ensuing deal and little, if any, "gold" was left on the table. Its periodic packages, often of items in ascending priority, and eleventh hour settlements foster or reinforce the perceptions of respecting the other by staying within the bounds of professional conduct, while earning the other's respect by being a strong advocate of own interests (Loughran 2003). This hybrid style embodies the dual concerns model's "*compromise*" style (below).

Not only can the bargaining style that is strategically chosen structure the parties' relationship attitudes, but also the contractual formula can either stabilize or de-stabilize the parties' working relationship (below). To recap, the critical dividing line between negative and neutral or positive attitudinal structuring is the fault line between respectively power bargaining and power negotiating (Fisher 2007c).

2.1.2 Attitudinal Structuring

As noted, how the negotiating process unfolds clearly can influence the parties' attitudes towards their relationship. Aggressively competitive or bullying negotiating, especially if combined with lying and cheating to gain extra leverage, clearly can generate negative attitudes. Similarly, when hardball tactics are combined with power-based sanctions like work stoppages, this form of power bargaining also can undermine or destroy respect, trust, and commitment to uphold a deal. In

contrast, power negotiating and integrative or interest-based bargaining tend to sustain or improve working relationships (Fisher 2007c).

Figure 1 depicts Walton and McKersie's (1965) spectrum of bargaining relationships, as generated from union-management settings. Two of their key attitudinal determinants are (1) legitimacy and (2) friendship. I reformulated their schema as my composite index of respect, trust, and commitment to uphold the deal. My schema arguably implicitly subsumes legitimacy and friendship. Where my index is quite low, the other's legitimacy should be questioned. More important than gaining the others' friendship is earning their respect by being, for instance, a strong advocate of own interests (Fisher 2007c).

Figure 1: Walton and McKersie's (1965) spectrum of bargaining relationships

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Poor Relationship   **Good Relationship**   **Perverse**

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Conflict Containment-Aggression Accommodation Cooperation Collusion
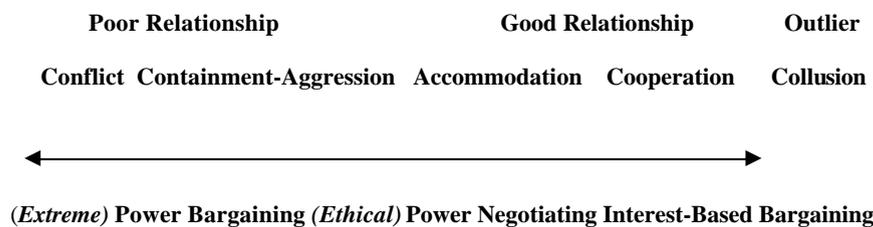
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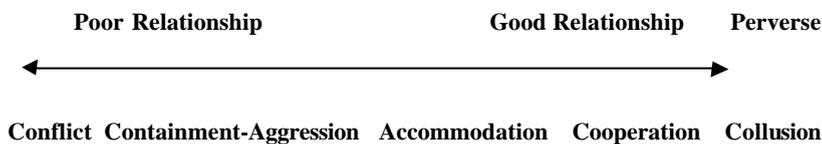
Proceeding left to right in Figure 1, *conflict* involves at least one side not accepting the legitimacy of the other. It normally will be associated with *power bargaining that is extremely aggressive or involves dirty tricks. Containment-aggression* corresponds to *less antagonistic or ethical power bargaining.* It involves reluctant acceptance of the other's legitimacy, often reinforced by the law. This includes the prohibitions against dirty tricks such as unfair labor practices or bad faith bargaining in union-management relations or anti-trust violations.

The dividing line between containment-aggression and *accommodation* corresponds to the watershed respectively between power bargaining and *power negotiating.* Also involving professional conduct but customarily more respect, trust, and commitment to uphold a deal, *cooperation* is associated *with integrative or interest-based bargaining.* Held together by mutual threats of blackmail and, perhaps, friendship, *collusion* represents a perverted form of collaboration. It clearly involves *tricky bargaining* to exploit one side's principals.

Figure 2 depicts the preceding relating of Figure 1's spectrum of bargaining relationships to bargaining styles. Power bargaining normally erodes or destroys relationships but not power negotiating and especially interest-based bargaining.

Figure 2: Fisher's (2007c) spectrum of relationships and related bargaining styles

<div align="center">

Poor Relationship   **Good Relationship**   **Outlier**

Conflict Containment-Aggression Accommodation Cooperation Collusion

⬅————————————————————➡

(*Extreme)* **Power Bargaining** *(Ethical)* **Power Negotiating Interest-Based Bargaining**

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Figure 3 basically uses an input-output format to portray style characteristics. The *inputs* or features of the various styles concern the degree of *flexibility, unethical practices or dirty tricks, and open talk*. The *outputs* comprise the extent of *respect, trust, and commitment to uphold a deal*. Within the dual concerns model, bullying/tricky bargaining is an extreme form of competing or power bargaining. It is intended to induce extraordinary concessions by others, either fairly (via power-based pressure) or unfairly (via dirty tricks). The threat or use of a sanction as plan B represents such a power-based pressure tactic (below).

Figure 3: Fisher's (2007c) spectrum of features of strategic negotiation styles

More Inflexibility or Dirty Tricks	**More Flexibility or Ethics**
More Closed or Control Talk	**More Open Talk**
Less Legitimacy for Other	**More Respect, Trust, and Commitment to Deal**

$$\longleftrightarrow$$

Bully/Tricky Bargaining—Compete   Compromise   Collaborate

(*Extreme)* **Power Bargaining** *(Ethical)* **Power Negotiating Interest-Based Bargaining**

Proceeding from left to right in Figure 3, the inputs of flexibility or ethics and open talk generally increase along with the outputs of respect, trust, and commitment to uphold an ensuing deal. The corresponding styles progress from *extreme power bargaining (bullying or tricky bargaining to compete)* through *ethical power bargaining (compete)* to *power negotiating (compromise)* and eventually *interest-based bargaining (collaborate)*.

Figure 4 illustrates how two outliers relate to Figure 3's spectrum of strategic negotiation styles. Collusion stands for a form of bullying/tricky bargaining that is contrived to exploit one side's set of principals (above). As a style, *accommodation* or "lose to win (later)" involves unduly giving away bargaining power in the form of concessions to others (Lewicki et al. 1996).

Figure 4: Lopsided outliers in Figure 3's spectrum of strategic negotiation styles

Outlier Bully/Tricky Bargaining—Compete Compromise Collaborate   Outlier

$$\longleftrightarrow$$

Contrived Lopsided: Collude   Skewed Lopsided: Accommodate

Accommodation's "peacekeepers" essentially place themselves in the other side's shoes but stay there too long (Leritz 1987). In considering the others' interests, they become overly flexible or "soft" negotiators (Fisher et al. 1995). Their "give-away artist" behavior often is intended to ingratiate themselves to others and

based on the premise that others will reciprocate fairly in future (Leritz 1987). Such "future considerations" normally would not be forthcoming from a "hard" negotiator (Lewicki et al. 1996: 72-73). In the final analysis, accommodation's relationships tend to be skewed and inherently unstable, especially if others do not reciprocate fairly. In balance theory such lopsidedness fosters corrective actions.

2.1.3 Balance Theory

In balance theory, a contractual formula that is lopsided or out of line with market signals will tend to be destabilizing. Being out of kilter creates tensions or cognitive dissonance which, in turn, generates greater conflict in the parties' relationship. The increased conflict spills over into a desire to take corrective actions during the corresponding "payback time." Should the other side not foster the desired restructuring, the change initiator often will threaten or use power-based sanctions like a work stoppage to force the desired change (Table 1). Other de/stabilizing factors are listed below.

Figure 5 illustrates these tendencies. Power bargaining's lopsided deals often favor the perpetrator. Hence, it tends to yield de-stabilizing contractual formulae. Because power negotiating and especially interest-based bargaining generally focus on satisfying needs, the formulae they give rise to tend to be stabilizing, unless other factors are at work (below).

Figure 5: Tendency for strategic negotiation styles to yield de/stabilizing contractual formulae

More Lopsided	More Satisfying Mutual Needs
De-Stabilizing Contractual Formula	**Stabilizing Contractual Formula**

$$\longleftrightarrow$$

Bully/Tricky Bargaining—Compete   **Compromise**   **Collaborate**

(*Extreme)* **Power Bargaining** *(Ethical)* **Power Negotiating Interest-Based Bargaining**

2.1.3 Sanction as an Investment Device (SAID)

Figure 6 illustrates Plans A and B of the SAID approach in positional bargaining with periodic compromises and sanction-induced concessions made by the union. *Sanctions* include (1) walking away, (2) settling elsewhere, (3) a work stoppage, (4) litigation, (5) adjudication before an administrative tribunal (e.g., labor board or arbiter), or (6) some other imposed decision. As such, Figure 6 encompasses power bargaining, power negotiating, and interest-based bargaining (IBB) (above). Having a Plan B or safety net in IBB is as important as in the other major styles to avoid negotiation failure, particularly unnecessary concessions.

Figure 6: Plan A versus Plan B in SAID decision making
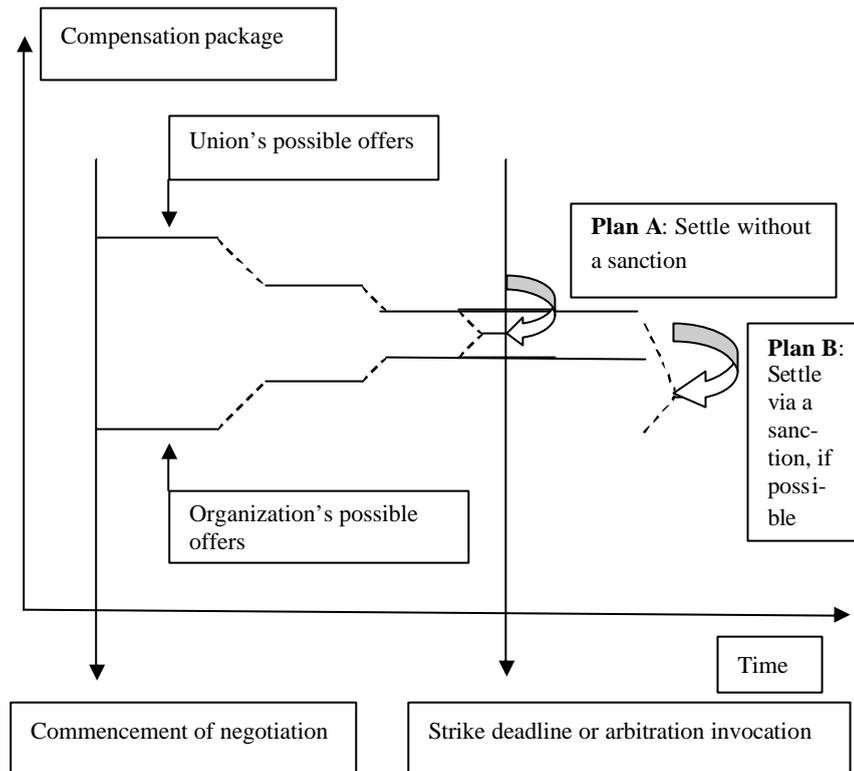
Source: Fisher (2007a).

Applying SAID calculations, Eaton (1972) found strikes to have paid off on average. Fisher (2007a) had similar findings for management in pro sports' major showdowns and turnarounds. Fisher (2007a-c) also found evidence that strategic negotiators and principals typically apply SAID decision making. This includes (1) sanction and (2) ratification votes. That is, SAID decision making occurs in *intra-organizational bargaining*'s internal (team) and vertical (voters) negotiations in the HIVE model of complex representative negotiations (Table 1).

2.2 Walton et al.'s (1994) Classic on Strategic Negotiation

Walton et al's (1994) classic work explored and developed the concepts set out in Table 1, chiefly fostering versus forcing restructuring. Fisher (2007a) related fostering to interests (as Option X), forcing to power (as Option Y), and added rights-based feedback loops (as process circumvention in Option Z) (Table 2),

2.3 Standard Dual Concerns Model of Strategic (Style) Choice

The dual concerns model (DCM) can help resolve the (strategic) negotiator's basic dilemma: the extent to which they should *compete or force change* versus *jointly problem solve or foster change*. The DCM adds three styles to the strategic negotiator's choice set: compromise, accommodate, and avoid (Table 2).

Figure 7 shows when to use the five basic styles. Fisher's (2007c) overarching moderating variables can alter the style so selected (below).

Figure 7: Dual concerns model for strategic choice of style
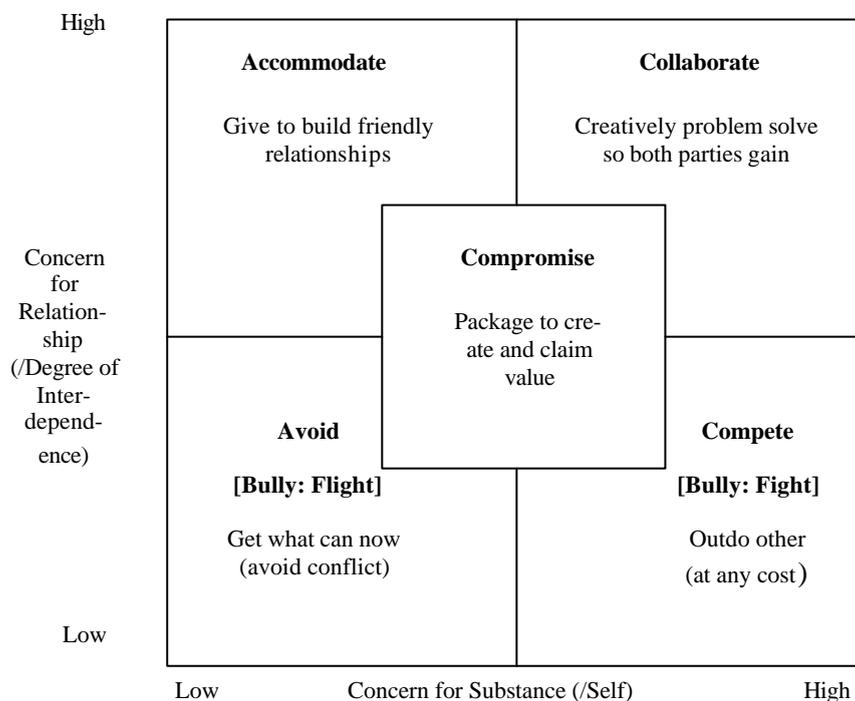
The DCM is to avoid making the wrong choice of strategy/style—guaranteeing failure. Negotiating effectively over one's lifetime or career requires using each strategy of the DCM. In properly managing a portfolio of negotiations, strategic negotiators may, say, downgrade a negotiation from problem solving to compromise to induce closure and focus on other negotiations. They legitimately avoid further negotiations whenever a cost-benefit analysis reveals that a superior alternative to Plan A seems to exist outside the current negotiation as Plan B (Lewicki et al. 1996). To reiterate, this could involve walking away and settling elsewhere or some other sanction (e.g., a court suit, arbitration, or work stoppage).

3 Conceptual Framework

This includes Fisher's (2007c) overarching dual concerns model outlined in Table 2 and the ten de-stabilizing factors referred to in Table 1,

   Three key features of Fisher's (2007c) overarching dual concerns model follow. One is a one-to-one mapping between its styles and Leritz's (1987) personality profiles of bargainers. Another comprises the moderating factors listed in Table 1. Associated with them is a set of standards of professional strategic negotiator conduct. I present them after the de/stabilizing factors which have links to them.

3.1 Overarching Dual Concerns Model: Personality Profiling

Table 3 presents descriptors for the styles of my overarching dual concerns model and Leritz's (1987) bargaining profiles. To better manage others' reactions, its mapping serves to classify their primary and shadow styles, often used as defaults when tired or frustrated (McRae 2003). Its use also may improve persuasiveness.

Table 3. One-to-one correspondence of Leritz's (1987) personality profiles to strategies (bargaining styles) of the dual-concerns model

Personality	Key Features	Strategy (Style)	Key Features
Generator (Pure problem solver)	Non-judgmental; seeks to meet needs; creates a safe environment	**Collaborate** (Interest-Based Bargaining)	Seeks deal meeting each side's needs (Plan A) via problem solving or no deal (Plan B)
Rebel Producer (Big picture person)	Good analyzer; often follows "the first credible offer usually wins the day"	**Compromise** (Power Negotiating)	Seeks deal favoring self but meeting others' needs to keep relationship or no deal
Scorekeeper (Hard bargainer seeking victory)	Compares; given ethics, tries to maximize leverage; may resort to dirty tricks	**Compete** (Power or Tricky Bargaining)	Possibly power-based sanctions or dirty tricks to maximize gains, or no deal
Enforcer (Bully's fight or flight)	Power tactics to force own way; will flee after fight, if "line is drawn" and lose control of agenda	**Force Compliance or Withdraw** (Take it or Leave It)	All or nothing approach, often with dirty tricks, to impose own terms or no deal
[Avoider]	May hate conflict, face a bully, or have a better alternative to a negotiated agreement (Plan B)	**Avoid** (Not Negotiate or Walk Away)	Prefers status quo and not to deal but may do well by playing hard to get
Peacekeeper (Soft negotiator: "give-away artist")	Gives away power to build a friendly relationship; expects equivalent in "future considerations"	**Accommodate** (Lose to Win (Later))	Seeks a 20/80 compromise to ingratiate themselves to others and play on others' guilt

Source: Fisher (2007c)

Table 3 can help determine strengths and weaknesses in oneself or others. It need not be self-administered and can be used with other profiling instruments like those of Shell (2001) and Tieger and Barron-Tieger (1998). As professional negotiator Neil Tidsbury put it, personality profiling applies to "going for the big kill." Similarly, combining personality profiling (e.g., via Table 1) with network analysis could enhance persuasive capacity in coalition-building (Watkins 2002).

"Give-away artist" proclivities mean a peacekeeper should not be on a bargaining committee. As the weakest link, they expose it to divide and conquer tactics. Practicing "fight or flight," enforcers tend to be inflexible. They should be ill-suited as collaborators or even compromisers and maybe vice versa (Shell 2001).

3.2 De/Stabilizing Factors and Corrective Actions

Table 4 presents ten factors and the circumstances under which they can be desta-bilizing or stabilizing. They concern the operative constraints. Two sets of notable constraints are (1) the principals or voters in the HIVE model (Table 1) who determine the agenda and strategy and (2) key environmental constraints especially if they change and, therefore, become destabilizing factors.

Table 4. Fisher's (2007b) ten de/stabilizing factors in longstanding contractual relationships with periodic renegotiations

Factor	When Destabilizing	When Stabilizing
Contractual Formula	Perceived as Unfair: Lopsided	Perceived as Generally Fair
Market Forces or Signals, as Reflected in Comparators and Key Indicators	Viewed as Out of Line with Contractual Formula	Viewed as Generally Consistent with Contractual Formula
Major Legal, Technological, Political, Relational, or Other Change	Tends to Undermine Contractual Formula	Low Impact on Contractual Formula
Hard Done By's Mandate or Bargaining Agenda	Major Change Initiative	Housekeeping or Limited Changes
Coalition of Hard Done By's Principals' Factions	Politically Divided with Active, Influential Hardliners	General Consensus and Commitment to Mandate
Others' Mandate or Bargaining Agenda	Militantly Resist Change Platform	Agreement in Principle
Coalition of Others' Principals' Factions	Dissention in the Ranks	General Unity: Mandate Support
Ability to Engage in or Withstand Sanction	Lopsided as to True Grit (page 14)	Roughly Even
Relative Bargaining Skills	Favoring One Side Over Other	More or Less Evenly Matched
Interlopers, Intruders, or Interveners	Generally Control the Agenda	Orchestrate but Defer to Parties

In determining priorities and reflecting organizational politics, internal negotiations customarily are the toughest HIVE negotiations (Table 1). Chief negotiators act as quasi-mediators when dealing with the stabilizers and de-stabilizers or dissidents on bargaining committees.

To carefully manage the entire (HIVE) negotiations' process, it is crucial to maintain unity or build a solid coalition among the various factions (Fisher 2007a). Professional negotiator Dwayne Chomyn suggests the following actions. To prevent losing a consensus around the mandate, (1) *develop and highlight the good business reasons supporting the proposed formula for the contract language*. (2) *Communicate them in language the other can easily comprehend.* (3) *Stress key comparators and indicators* to increase persuasive capacity by appealing to external standards. (4) *Be fully prepared to use the sanction (Plan B)*. Maintaining a solid coalition requires doing the utmost in the preceding areas, particularly via (5) *thorough preparations, to gain the unwavering commitment of key players to the bargaining agenda* (Fisher 2007a).

Along with losing unity, there are at least three other key sources of negotiation failure by making superfluous concessions. A side can cave first by (1) having less "true grit" (mental fortitude and resolve) in a power-based sanction like a work stoppage, (2) being out-negotiated, or (3) during dispute resolution having outsiders greatly influence or stymie their bargaining agenda (Fisher 2007b).

Promoting and sustaining true grit during a strike includes building defense funds, periodically holding morale-building campaigns, requiring supermajority thresholds on sanction or ratification votes, or imposing fines for speaking out of turn to promote cohesion. "Gag orders" may be relaxed, if propitious to do so.

Other actions to avoid being out-maneuvered include (1) changing negotiators, (2) building alliances, or (3) becoming much less reliant on interlopers or interveners (Loughran 2003, Watkins 2002).

3.3 Standards of Professional Conduct

What follows comes from professional negotiator friends and contributors like Camp (2003), Dawson (1995), Glass (1998), Hindery and Cauley (2003), McRae (2002), Scott (1981), Williams (1990), and particularly Loughran (2003). Amateurish conduct opposes the following "Magical Ps" of "real pros" (Fisher 2007c):

To maintain organizational influence or promote objectivity,
- (1) *Prudently invest in negotiations or sanctions*;
- (2) *Periodically recheck assumptions*;
- (3) *Properly plan for contingencies by setting up "safety nets" (Plan Bs)*;
- (4) *Pursue the professional norm of not bluffing and instead engaging in gambits* consistent with code (3);
- (5) *Practice due diligence by being well prepared*;

To conduct a situational analysis of SWOT: internal strengths and weaknesses, and external opportunities and threats,

- (6) *Plumb key operative constraints or parameters*;
- *Parameters* in Code (6) include economic, legal, political, social, and technological factors; the parties' interdependence and working relationship; and cultural norms;
- (7) *Prepare and proffer information pertaining to key indicators, comparators, and legal precedents*;

To manage others' reactions or make sound decisions,

- (8) *Prudently manage both sides' Best Alternatives to a Negotiated Agreement (SAID's Plan Bs) to increase relative leverage*;
- (9) *Profile key players' personalities and their reward structures*;
- (10) *Perform the problem solving paradigm—notably brainstorming or lateral thinking—to generate alternatives and compare scenarios to make wise decisions*;
- *Promote creativity* in Code (10) by "thinking in greys and Technicolor" rather than black and white;
- (11) *Practically invest in the sanction by carefully comparing the scenarios of a no-sanction settlement (Plan A) with a sanction-induced deal (Plan B)* (Figure 6);

To change mindsets during the process,

- (12) *Probe positions to discern underlying interests*;
- (13) *Plant the seed of doubt by challenging underlying assumptions*;
- (14) *Play on worst fears, often via a sanction or its threat (Plan B)*;
- (15) *Permit the process to run its often long, ritualistic course* (i.e., do not try to short circuit the process);
- (16) *Promote patience, particularly by keeping emotions in check*;
- (17) *Priority signalling can occur by budgeting "air time" accordingly*; and
- (18) *Permanently available is the power to resist by walking away or using another sanction (Plan B)*.

Concerning (19) *precepts of ethics*, a true professional practices the following:

- *A person's word is their honor*;
- *Secrets will remain confidential*;
- *Refrain from "putting one over on the other side," inform the other, and call in the marker later when appropriate*;
- *Recognize the "solution resides with the parties" and should not necessarily be imposed on others*;
- *In managing (internal) opposition, respect the principals' interests*; and
- *Realize a deal (via Plan A or B) should reflect relative bargaining power*.

Otherwise, in applying the SAID approach, at least one side should have exercised the power to resist by walking away or invoking some other sanction (Plan B).

4 Case Study: "Triumph of the Nerds"

Chiefly for illustrative purposes, I examine how my conceptual framework applies to two segments in Cringely's (1996) documentary of the history of the personal computer. I first present the two case studies of information technology networking and alliance building and then focus on profiling the three main protagonists' native personalities and bargaining styles subject to the operative reward structures of their professional and occupational roles.

4.1 "The Deal of the Millennium:" IBM and Microsoft's DOS

When IBM "came calling" in 1980 to license an operating system for its impending, open-architecture personal computer, Bill Gates quickly signed IBM's nondisclosure agreement in a "leap of faith." Highly interdependent with IBM on the application software side, Microsoft's (MS) decision-makers envisaged lucrative gains, should IBM acquire a disk operating system (DOS). MS could not immediately license DOS software, and deadlines loomed. Ergo, Gates sent IBM to see Gary Kildall, whose operating system MS had licensed. Thus, based on *sound business reasons*, MS adopted a Collaborative strategy, consistent with Figure 7 and sought to promote a no-sanction settlement (Plan A) (Figure 6). This also was consistent with the preceding norms of professional conduct.

While undoubtedly a generator or pure problem solver professionally (Table 3), Gary Kildall "hated conflict" and lacked some business acumen. His firm neither copyrighted nor patented codes and sold manuals to construct its operating system. Loathing conflict, Kildall acted as an avoider/peacekeeper (Table 3) and, quite properly (above), sent IBM's representatives to see another executive (his wife), whose lawyer refused to allow her to sign the non-disclosure form.

Viewing IBM as a rival ("Men in Black"), rather than a potential ally ("Men in Blue"), Kildall's firm violated a cardinal rule of effective negotiators: *check and re-check assumptions* (above). The fatal assumption had MS not shifting from the "language business" into DOS for PCs which Kildall's company dominated.

Fortunately, Microsoft found a small company, Seattle Computer Products (SCP), which had used one of Kildall's manuals to construct a DOS imitation. Being cash-strapped, SCP sold its DOS *outright* to MS for $50,000, thereby enabling it to form an industrial alliance with IBM. Bill Gates and Microsoft seemed to operate as a rebel producer by giving the impression of a good deal, while claiming extraordinary value (Table 3 and Figure 7).

4.2. "Great Artists Steal:" Apple's Graphical User Interface

Steven Jobs' appears to have two dominant personality traits: generator/visionary and enforcer/competitor (/tyrant) plus a great deal of charisma (below). He exhibited crucial ingredients for effective negotiating: remarkable *creativity* and *persuasive capacity* (above) Presumably the latter and reportedly badgering cleared the way into Xerox's Palo Alto Research Park so Apple's experts could view, later imitate or reverse engineer, and further develop Xerox's highly innovative graphical user interface (GUI) for the MacIntosh.

Jobs' style clearly was appropriate (Figures 2 and 7)! Compatible with his personality/style profile, his sugar-coated, yet pushy strategy/style gained access for his people. A key gatekeeper (Adele Goldberg) rightfully demanded a written order to admit Apple's experts. She correctly viewed Xerox's accommodation as offering Apple free access to extremely valuable trade secrets. Unfortunately, two different cultures existed and no control mechanisms were in place. At Palo Alto it was scientific innovation-oriented; at headquarters it was business-oriented.

Microsoft subsequently built a false front on its "clunky" DOS platform to create a highly similar GUI: Windows. Apple launched and eventually lost a protracted, pioneering lawsuit that Windows had the "look and feel" of its proprietary operating system. This rights-based mechanism (Option Z in Table 1) served as its safety net or Plan B at the table (e.g., Lytle, Brett, and Shapiro 1999).

During this civil action Apple exhibited the cognitive bias of overconfidence by assuming it would win and not rechecking this assumption (above). Indeed, negotiations typically fail because of (1) *poor preparations*, (2) *over or underestimating the counterpart* or (3) *succumbing to time pressures* (McRae 2002).

Negotiation analysis includes (1) *sound contingency planning*, especially (2) using "*reality checkers*" to promote an *objective and well considered cost-benefit analyses of alternatives, including available sanctions*, and (3) *knowing when to use third parties* (Lewicki et al. 1996). This successfully led MS to pursue litigation, even though a mediator or skilled settlement counsel might have resolved this matter in out-of-court negotiations (the process intervention track of Option Z in Table 1). Thus, MS properly evaluated Plans A (settle without a sanction) and B (go to court) in SAID decision making, while Apple did not (Figure 6).

Jobs' greatest weaknesses may have been (1) *inflexibility*, once having made a decision (Figure 3), and (2) *not periodically rechecking assumptions*, unlike real pros (above). Since Microsoft had developed most, if not all, of the application software for the MacIntosh, he reportedly viewed Microsoft as a partner, not a potential rival. Hence, Jobs underestimated MS, just as Kildall had. Apple replaced Jobs as chief executive officer when "tunnel vision" caused him to (1) ignore substantial losses and (2) force a choice between him and his successor. He reportedly mistakenly assumed—once again—he would win this showdown. This "my way or the highway" (bully) approach backfired. Like inflexibility, an *inability to maintain composure or self-control* often characterizes ineffective negotiating, too (McRae 2002; Williams 1990) (above).

4.3. Illustrative Profiling via Table 3 and Related Key Lessons

Three students (Jennifer Cherneski, Michael Melnychuk, and Michael S. Palmer) were trained and independently used Table 3 to profile the personality/style of the three protagonists in Cringely's (1996) documentary. They then jointly rated the three key players as to (1) native personality and (2) negotiating style as organizational agents relative to the reward structures of their profession and (3) occupation. The tables that follow distil the students' jointly agreed to observations and supporting evidence from the documentary.

Interestingly, the three protagonists' native personalities were found essentially to span the spectrum of Table 3, as Table 5 depicts.

Table 5. Native styles corresponding to the key protagonists' personalities

Name/Role	Native Personality	Key Quotes (Source)
Bill Gates	**Primary:** Scorekeeper/ Rebel Producer	Competitive spirit runs deep through family; Harvard drop-out
	Shadow: Generator	"We just keep making them better."
Gary Kildall	**Primary:** Avoider/ Peacekeeper	Hated conflict
	Shadow: Generator	Wrote software for fun
Steven Jobs	**Primary:** Enforcer/ Scorekeeper	Deceiver, manipulator and hypocrite using dirty tricks; huge ego and inflexible
	Shadow: Generator	Charismatic visionary

Of course, the three protagonists' native personalities generally spill over into their professional lives and corresponding reward structures in Table 6. Unlike the other two, however, Gary Kildall's primary and shadow styles switched, as his love of problem solving overrode his despise for conflict.

Table 6. Styles of the key protagonists, given their professional reward structures

Name/Role	Style in Profession	Key Quotes (Source)
Bill Gates	**Primary:** Scorekeeper/ Rebel Producer	Very focused and wanting to be "one step ahead" of competitor
	Shadow: Generator	"We just keep making them better."
Gary Kildall	**Primary:** Generator	Loved solving problems
	Shadow: Avoider/ Peacekeeper	Avoided conflict (e.g., to focus on job or hobbies)
Steven Jobs	**Primary:** Enforcer/ Scorekeeper	Deceiver, manipulator and hypocrite using dirty tricks; huge ego and inflexible
	Initially: Generator	Charismatic visionary

As in Table 7, Bill Gates apparently quite properly applied the modified dual concerns model in Figure 7 to the two sets of strategic negotiations studied. In contrast, Gary Kildall and Steven Jobs were not duly diligent. Though based largely on not rechecking assumptions, their negotiation failures relative to MS flowed from virtually polar opposite personalities. Kildall hated conflict and was an avoider as a business person. Jobs' inflexibility as a bully fostered his undoing.

Table 7. Styles of the key protagonists, given their occupational reward structures

Name/Role	Style in Job	Key Quotes (Source)
Bill Gates	**Initially with IBM:** Generator	Immediately signed non-disclosure agreement; hard on the problems and flexible due to the parties' high interdependence
	Later with DOS: Rebel Producer	Made other feel the deal was good after placing the first credible offer on table
Gary Kildall	**Primary:** Avoider/ Peacekeeper	Sent IBM away to negotiate with spouse, while assuming MS would not become a competitor
Steven Jobs	**Primary:** Enforcer/ Scorekeeper	Relentlessly demanded to see Xerox's demo; used emotional tactics; took Scully's restructur-ing plan personally and assumed he would win

5 Conclusions

The wrong style guarantees failure. All negotiators need to know when to walk away (Plan B). Accommodating can give away too much. Avoiding can yield gains but eliminate possible deals. Aggressive approaches can produce short-term gains but harm relationships. Compromising and collaborating generally satisfy needs and sustain relationships (Figures 1-7, Table 3).

As illustrated, the dual concerns model and moderating factors, particularly professional or cultural norms, can help avoid negotiating failure. Gary Kildall and Steven Jobs notably neglected periodically rechecking assumptions. Profiling (1) others' organizational influence via network analysis (Watkins 2002), (2) personalities, and (3) reward structures can provide valuable insights about others' possible reactions, as shown. Along with professional standards of conduct, the ten de/stabilizing factors may help guide strategic network/alliance negotiations.

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