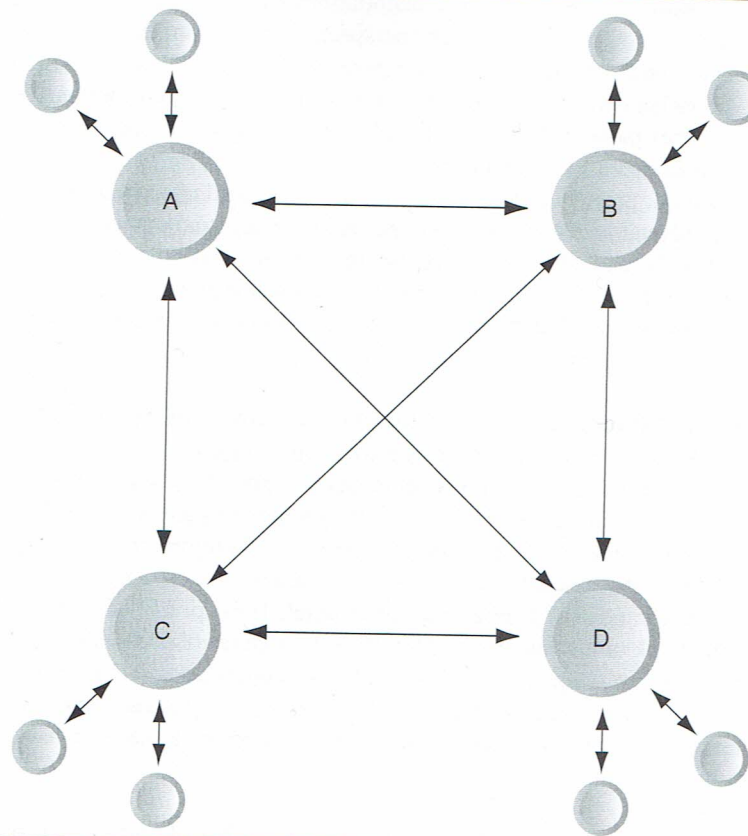


FIGURE 13.2 | A Multiparty Negotiation with Constituents

as a task force), they could be representing the interests of others (see Figure 13.2). Most of the complexities described in this section increase linearly, if not exponentially, as more parties, constituencies, and audiences are added.

In this chapter, we note the factors that make multiparty negotiations more difficult to manage than one-on-one negotiations. We comment on some of the key stages and phases of multiparty deliberations. For each phase, we consider a variety of strategies that can be used to manage multiparty negotiations effectively. We show the ways that multiparty negotiations are complex and highly susceptible to breakdown and show that managing them effectively requires a conscious commitment from the parties and a facilitator as they work toward an effective multiparty agreement.¹

Differences between Two-Party Negotiations and Multiparty Negotiations

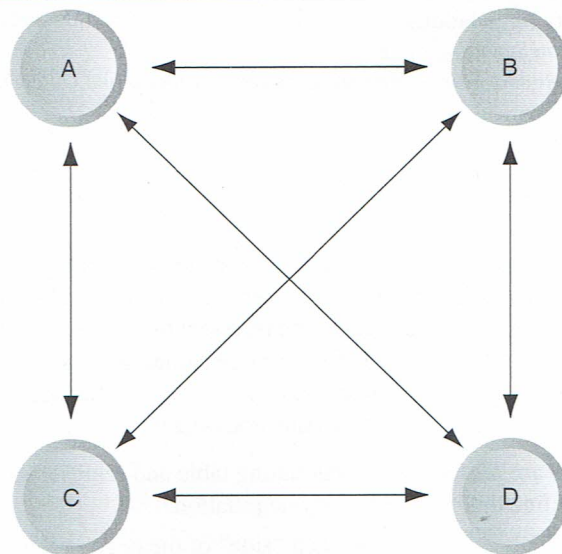
Multiparty negotiations differ from two-party deliberations in several important ways. In every case, the differences are what make multiparty negotiations more complex, challenging, and difficult to manage.

The Nature of Multiparty Negotiations

We define a *multiparty negotiation* as one in which more than two interested parties are working together at the table to achieve a collective objective. To illustrate the nature of a multiparty negotiation, let's extend the example used at the beginning of Chapter 12 (a student is selling a audio system and puts up notices in the dorm and dining areas). However, now assume that there is not one seller, but four roommates who jointly own and are selling the system. A year ago, each put in \$200 to buy the system; now they have different preferences for what they should do with it. Aaron (A) wants to sell it and simply split up the money because he wants to buy a new smartphone for himself; Bill (B) wants to sell it and buy a smaller, less expensive TV so he can watch his own shows; Chuck (C) wants to sell it and buy a big-screen TV and top-quality audio system that will require each of them to chip in a lot more money; and Dan (D) doesn't want to sell it at all and thinks the whole thing is a dumb idea. Each party has his own preferences and priorities, and the roommates must collectively decide what they will to do if and when the system is sold. They might agree to make a single collective decision about what to do next, or a pair might form some kind of compromise and pool their money, or each might go his separate way. When the parties agree to hold a meeting to discuss the options and make a collective decision, this is a multiparty negotiation that involves unique dynamics in a collective decision-making process.

The general model for a multiparty negotiation is represented in Figure 13.1. Each of the parties (there can be three or more) is representing his or her own interests. In a different situation (e.g., they might be representatives of different departments meeting together

FIGURE 13.1 | A Multiparty Negotiation



Number of Parties The first difference is the most obvious one: Multiparty negotiations have more negotiators at the table. Thus, negotiations simply become larger. This creates challenges for managing several different perspectives and ensuring that each party has adequate time to speak and be heard. Each party may be acting as a principal—that is, representing his or her own interests (Figure 13.1)—or an agent—representing the interests of at least one other party (the constituency; Figure 13.2). (Refer back to our discussion of these roles in Chapter 11.) In addition, parties may have different social roles outside the negotiation (e.g., president, vice president, director, board chairman) that may lead to either equal or unequal levels of power and status in the negotiation (see Chapter 8). If the parties are all equals (e.g., all vice presidents), the exchange within the negotiation should be more open than if one party has higher status or power than the others. For instance, if one party is the president and the others are vice presidents, we can expect the president to control and dominate the process more actively.

Informational and Computational Complexity A second difference in multiparty negotiations is that more issues, more perspectives on issues, and more total information (facts, figures, viewpoints, arguments, documentary support) are introduced. “One of the most fundamental consequences of increasing the number of parties is that the negotiation situation tends to become less lucid, more complex, and therefore, in some respects, more demanding. As size increases, there will be more values, interests, and perceptions to be integrated or accommodated” (Midgaard and Underal, 1977, p. 332, as quoted in Kramer, 1991). Keeping track of all this information, the perspectives of each side, and the boundaries and limitations into which a solution must fit becomes a major challenge for the negotiators. Therefore, it is even more critical that negotiators spend time in more thorough preparation prior to a multiparty negotiation, rather than trying to keep track of issues and trade-offs as the negotiation is evolving.

Social Complexity A third difference is that as the number of parties increases, the social environment changes from a one-on-one dialogue to a small-group discussion. As a result, all the dynamics of small groups begin to affect the way the negotiators behave. First, how the process evolves may depend on the motivational orientation of the parties toward each other. One study found that parties with a cooperative (versus an individualistic) motivational orientation were much more likely to achieve a higher-quality outcome in their deliberations and that cooperatively motivated parties were more trusting and engaged in less argumentation than individualistic ones (Weingart, Bennett, and Brett, 1993). This orientation also seemed to affect the way the parties discussed the issues (discussed later). Second, social pressures may develop for the aggregate to act cohesively, yet the members are in conflict with each other and cannot be cohesive unless they can find an acceptable solution. Members compare themselves with one another, evaluate themselves against one another, and try to use a variety of influence tactics to persuade one another toward their point of view (see Chapter 9 for a description of these tactics). Strong pressures for conformity develop as members pressure other members to adopt a common perspective or definition of the problem or to endorse a particular solution. In addition, the parties can develop their own dysfunctional dynamics. For example, if the parties want to be unified in their collective efforts, they may attempt to avoid or minimize conflict by downplaying

On January 28, 1986, the space shuttle *Challenger* exploded 73 seconds into its flight. All those on the flight were instantly killed, including civilian passengers specially recruited for the trip. Subsequent investigations placed part of the blame for this tragedy on leaders at the National Aeronautics and Space Administration (NASA) who failed to create a communication environment that allowed their subordinates to discuss openly potential technical difficulties. If communication had been more open, the *Challenger* might not have been lost.

In his book-length report on the *Challenger* disaster, Philip Tompkins (1993) noted that workers at NASA knew their director did not like to hear bad news. He had a tendency to "kill the messenger," particularly when faced with technical information that might necessitate delays in the launch schedule. Consequently, his subordinates communicated with him in a passive, nondirective style. In the days prior to *Challenger's* launch, engineers met to discuss potential technical difficulties with the flight based on the colder-than-usual weather. These technical professionals concluded that launching the *Challenger* might be dangerous in cold-weather

conditions. However, because meetings at NASA did not generally promote open exchange of ideas and debate, the indirect warnings they issued were ignored. Some professionals testified after the accident that they were intimidated by senior administrators at NASA and did not feel they could bring problems to the table for discussion. Instead, they relied on hints and technical memos to try to get their message across without angering their superiors.

Tompkins wrote that one purpose of his book was "to point out the value of communication, the dangers of defensiveness and unwillingness to face open appraisal" (p. 110). The *Challenger* disaster aptly demonstrates the tragedy that can strike if all members of a work team cannot speak openly in meetings and negotiations. Many who have studied this disaster have also pointed out that the dynamics Tompkins describes are dramatically similar to the characteristics of "group-think" (Janis, 1982).

Source: Adapted from Phillip K. Tompkins, *Organizational Communication Imperatives: Lessons of the Space Program* (Los Angeles: Roxbury Publishing Company, 1993).

their differences or may not work through their differences adequately to reach an effective solution. Janis's (1982, 1989) research on policy-making and decision-making groups has shown that these efforts to minimize and avoid conflict can frequently lead to disaster. Fiascos such as the U.S. invasion of the Bay of Pigs in Cuba during the Kennedy administration (Janis, 1982) or NASA's decision to launch the *Challenger* space shuttle (Tompkins, 1993) were caused by dynamics in the key decision-making groups that pushed group members to avoid conflict and avoid expressing their real reservations about going ahead with the project (see Box 13.1). This hesitancy led to an illusion of consensus in which each party believed that he was the only dissenting member in a strong, emerging agreement about what actions to take. Afraid to express their dissent for fear of looking weak and foolish (note the face-saving dynamics—see Chapter 11), group members self-censored their reservations and concerns, thereby reinforcing the apparent surface consensus and leading to a decision with disastrous consequences.

Procedural Complexity A fourth way in which multiparty negotiations are more complex than two-party ones is that the process they have to follow is more complicated. In one-on-one negotiations, the parties simply take turns in presenting their issues and perspectives,

challenging the other's perspectives, or moving the negotiation along from its early stages to the later ones. When more parties are involved, the procedural rules become far less clear. Whose turn is it to do what? How do the parties coordinate where they are in the negotiations (e.g., opening statements, presentation of viewpoints, moving toward agreement)? There are several consequences of this procedural complexity. First, negotiations will take longer (Sebenius, 1983), so more time must be allowed. Second, the greater the number of parties, the more complex and out of control the process can become—particularly if some parties choose to adopt a strategy of tough positional bargaining and dominate the conversation in an effort to railroad through their particular viewpoints (Bazerman, Mannix, and Thompson, 1988). Third, as a result of the first two elements, negotiators will probably have to devote explicit discussion time to *how* they will manage the process to arrive at the type of solution or agreement they want. These discussions—both about how to expand the pie (negotiate integratively) and then divide the pie once expanded (bargain distributively)—are often tense because fairness concerns are prominent (See Chapter 10) and may be subject to many of the cognitive biases discussed in Chapter 6 (Thompson, Richardson, and Lucas, 2012). Finally, the parties must decide how they want to approach multiple issues on the table. Weingart, Bennett, and Brett (1993) reported that parties who discussed multiple issues simultaneously—considering all the issues at once and looking for ways to trade one off against another—achieved higher-quality agreements and increased the likelihood of achieving agreement compared with groups that approached the issues sequentially (one at a time, in a fixed or negotiated sequence). Groups that approached issues simultaneously also exchanged more information and had greater insight into the preferences and priorities of the other parties at the table.

Logistical Complexity A fifth way in which multiparty negotiations may be more complex has to do with the physical distance between the parties as they attempt to resolve their differences and reach agreement. If parties are not in the same room with each other; must communicate through electronic media such as telephones, video conferencing, e-mails, or web-chats; or are physically far away from each other, parties are more likely to feel socially disconnected from each other and react less positively to each other. Physical distance can affect how much the parties trust each other, the ways they interpret unclear or ambiguous behavior of the other parties, and the willingness to continue negotiation with each other as a conflict resolution strategy. This distance—whether physical or psychological—seems to affect how parties make sense of and interpret what others are doing and whether “signals” are interpreted as indications of cooperative or competitive behavior. Thus, achieving an integrative agreement in a multiparty negotiation can be facilitated not only by bringing the parties into closer physical contact with each other, but also by helping them interpret what the other party is doing in situations where direct, face-to-face contact may not be possible (Henderson and Lount, 2011).

Strategic Complexity Finally, multiparty negotiations are more strategically complex than two-party ones. In one-on-one negotiations, the negotiator need only attend to the behavior of the other negotiator; strategy, therefore, is driven by the negotiator's objectives, the other party's actions, and the tactics they each use. The strategic and tactical options of two-party negotiations were discussed in Chapters 3, 4, and 5.

to come at the same time and try to play the two off against each other. In this case, each buyer's offer on the system becomes the seller's alternative for the other's offer (assuming both offers are acceptable), and the seller can, in effect, auction the system off to the highest bidder.

- In the third case, the two buyers show up at the door together, exchange greetings, and discover that they live in the same campus residence. They also discover that they were both asked to come at the same time by the seller and figure out that the seller is probably trying to get them to bid against each other. So they agree to make a lowball offer on the system and not increase their bids by more than a few dollars. They hope that if they try to hold the price down but offer to pay cash on the spot, they can get the seller to sell the system now.

These are three different variations on a three-party negotiation. The first case resembles the typical agency relationship situation we described in Chapter 11. One buyer is representing the other, and we have two negotiations occurring: one between the buyer and the seller and one between the buyer and her roommate. In the second case, the seller is conducting a sequenced series of one-on-one transactions; he gets one to bid, then goes to the other with the bid and asks her to raise it; thus, he is using each potential buyer as his alternative while he tries to get them to compete in an auction. The seller's success in this case relies heavily on the buyers' unwillingness or inability to communicate with each other. In the third case, the seller is about to be unwittingly compromised by the buyers. Having discovered the seller's intent to get them to compete, the buyers are motivated and able to collude as a way to hold the price down and to punish the seller for trying to structure the deal as an auction. If the buyers are successful, they may be able to purchase the audio system at a bargain price (although they still may face a negotiation between themselves over who actually gets the system or the terms of its use).

In this chapter we are focusing on this third situation—what happens when the parties form coalitions or alliances in order to strengthen their bargaining position through collective action.

What Is a Coalition?

A *coalition*, simply defined, is a collection of two or more parties within a larger social setting who work together to pursue mutually desirable goals (Guo and Lim, 2007; Murnighan, 1986). So, for example, in a four-party negotiation, two parties might come together as a coalition to try to influence the outcome in a way that makes the two of them happy, even if that means the other parties' interests are given less emphasis.

There has been extensive research on coalitions. Much of this work has been done in laboratory settings with experimental bargaining games or simulations of voting behavior, but some has consisted of applied studies that analyze coalition formation in real-world settings. One particularly appealing context for studying coalitions is complex organizations, where decisions are often made by coalitions of people. Venerable theories of organizational governance and management¹ refer to the group of people who direct and manage the organization as the "dominant coalition." This usually includes those with the

The chapter concludes with some practical advice for building and maintaining coalitions. Done well, coalitions are not just convenient vehicles for the pursuit of self-interest through short-term alliances with expedient partners, but can be ways to achieve beneficial and lasting outcomes for all parties at the negotiating table and for the larger social systems (e.g., organizations, communities) within which coalition politics exist. Our hope is that this chapter helps you become more proficient in the art and science of building and maintaining constructive coalitions, and also become better “consumers” of the coalition politics that swirl around you in multiparty negotiation and dispute resolution.

Let’s begin with an example illustrating some of the complexities that arise when multiple parties are involved.

A Situation with More Than Two Parties

A negotiation situation becomes more complex when more negotiators are added (see Figure 12.1). For example, let’s consider a student who wants to sell a used audio system. He posts a notice on an online campus ad board, providing details about the system for sale and a suggested price. Two interested students call. Let’s now assume three different variations on this situation:

- In the first case, the two potential buyers are roommates. One roommate has agreed that she will do the talking and try to negotiate the best deal with the seller, while the other one stays silent but comes along for moral support.
- In the second case, the two buyers do not know each other. The seller can sell to the first one who calls, sell to the first one who shows up at his apartment, or ask the two

FIGURE 12.1 | A Seller and Two Buyers

