

Week 5 Withholding Information Case Assignment

Read the Withholding Information Case on pages 193-194 and address the following:

- a. Identify ethical systems that may guide the parties to a negotiation.
- b. Examine the substantive fairness of the negotiation.
- c. Examine the procedural fairness of the negotiation.
- d. Differentiate between concealment behaviors in negotiations that are ethical and those that are unethical among the parties in the negotiation.
- e. Evaluate how the parties can learn to create trust in a one-shot negotiation and in a long-term negotiation relationship.

Your paper should be four full pages in length. Formatted according to APA style utilizing three to four scholarly sources in addition to the textbook. Be sure to cite your sources within the body of your paper and on the reference page.

Textbook:

Carrell, Michael R. and Heavrin, Christina – (2008) *Negotiating Essentials: Theory, Skills, and Practices*

CHAPTER CASE: WITHHOLDING INFORMATION

During recent labor negotiations, both parties knew that the rising cost of health insurance was going to be a major issue. Two years earlier in an attempt to curtail costs, the employer's management, without publicizing or concealing the fact, decided to become self-insured. The previous insurance provider had agreed to become a third-party administrator, so it was likely that the change would not have been apparent to the employees. During the current negotiations, the employer asked that the employees agree to change benefits in order to lessen the premiums the employer paid for the health insurance. The employer told the employees no other measures could be used to reduce those growing costs. In response, the employees asked the negotiator if the employer would consider becoming self-insured so their benefits could stay the same while the employer would be able to control the costs because there wouldn't be an insurance company realizing a profit from their contributions.

It became apparent to the employer's negotiator that the employees had not noticed the change to self-insurance two years earlier. Unfortunately, any savings by becoming self-insured had already been realized in the health care program and would not change the employer's need to have benefits reduced now in order to cut costs in the future. The negotiator worried that if the employees knew their employer had already become self-insured, they would not be willing to give up some of the plan's benefits, expecting rather that the employer absorb the cost. On the other hand, the negotiator wasn't sure it was right to withhold the information from the employees, regardless of the outcome of the negotiations.