

Exam

Name \_\_\_\_\_

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Negotiation is a process reserved only for the skilled diplomat, top salesperson, or ardent advocate for an organized lobby. 1) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 2) Negotiations occur for several reasons *except*: 2) \_\_\_\_\_
- A) To agree on how to share or divide a limited resource
  - B) To create something new that neither party could do on his or her own
  - C) To resolve a problem or dispute between the parties
  - D) It can lead to better social skills

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 3) Negotiations occur for only one reason: to create something new that neither party could do alone. 3) \_\_\_\_\_
- 4) Sometimes people fail to negotiate because they do not recognize that they are in a negotiable situation. 4) \_\_\_\_\_
- 5) Good negotiators are made, not born. 5) \_\_\_\_\_
- 6) Many of the most important factors that shape a negotiation result do not occur during the negotiation, but occur *after* the parties have negotiated. 6) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 7) Even the most nervous and shy person has the potential to increase their confidence and ability through doing what? 7) \_\_\_\_\_
- A) Mentoring
  - B) Arbitration
  - C) Careful study and practice
  - D) Extensive interviewing

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 8) Negotiating parties rarely negotiate by choice. 8) \_\_\_\_\_
- 9) It is always a good time to negotiate. 9) \_\_\_\_\_
- 10) Most individuals in Western culture do not negotiate enough. 10) \_\_\_\_\_
- 11) Successful negotiation involves the management of tangibles (e.g., the price or the terms of agreement) and also the resolution of intangibles. 11) \_\_\_\_\_

- 12) Intangible factors are the underlying psychological motivations that may directly or indirectly influence the parties during a negotiation. 12) \_\_\_\_\_
- 13) Negotiation situations have fundamentally the same characteristics. 13) \_\_\_\_\_
- 14) A creative negotiation that meets the objectives of all sides may not require compromise. 14) \_\_\_\_\_
- 15) One of the common characteristics of negotiation is that the parties prefer to negotiate and search for agreement rather than to fight openly. 15) \_\_\_\_\_
- 16) It is possible to ignore intangibles, because they affect our judgment about what is fair, or right, or appropriate in the resolution of the tangibles. 16) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 17) Negotiation is about resolving: 17) \_\_\_\_\_  
 A) Conflict B) Harmony  
 C) Independence D) Interdependence
- 18) Which of the following is not an intangible factor in a negotiation? 18) \_\_\_\_\_  
 A) The need to look good B) Fear of setting a precedent  
 C) Final agreed price on a contract D) The desire to book more business

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 19) *Independent* parties are able to meet their own needs without the help and assistance of others. 19) \_\_\_\_\_
- 20) Dependent parties never rely on others for what they need. 20) \_\_\_\_\_
- 21) The mix of convergent and conflicting goals characterizes many interdependent relationships. 21) \_\_\_\_\_
- 22) The interdependence of people's goals, and the structure of the situation in which they are going to negotiate, has little effect on the negotiation processes and outcomes. 22) \_\_\_\_\_
- 23) Whether you should or should not agree on something in a negotiation depends entirely upon the attractiveness to you of the best available alternative. 23) \_\_\_\_\_
- 24) When the goals of two or more people are interconnected so that only one can achieve the goal—such as running a race in which there will be only one winner—it is a competitive situation, also known as a *zero-sum* (or *distributive*) situation. 24) \_\_\_\_\_
- 25) A zero-sum situation is a situation in which individuals are so linked together that there is a positive correlation between their goal attainments. 25) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 26) A situation in which solutions exist so that both parties are trying to find a mutually acceptable solution to a complex conflict is what kind of a situation? 26) \_\_\_\_\_  
A) Win-win                      B) Zero-sum                      C) Mutual gains                      D) Win-lose
- 27) When the teachers union finally completed the bargaining process with the province, both parties left the table feeling satisfied that they had achieved some of their objectives. This exemplifies which kind of situation? 27) \_\_\_\_\_  
A) Win-win                      B) Zero-sum                      C) Mutual gains                      D) Win-lose
- 28) Interdependent parties' relationships are characterized by: 28) \_\_\_\_\_  
A) Solitary decision making                      B) Rigid structures  
C) Established procedures                      D) Interlocking goals
- 29) BATNA stands for: 29) \_\_\_\_\_  
A) Best alternative to a negative agreement.  
B) Best alternative to a negative action.  
C) Best action towards a negotiated agreement.  
D) Best alternative to a negotiated agreement.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 30) When parties are interdependent they have to find a way to resolve their differences. 30) \_\_\_\_\_
- 31) Negotiation requires little process, and is generally instantaneous. 31) \_\_\_\_\_
- 32) Negotiations often begin with statements of opening positions. 32) \_\_\_\_\_
- 33) When one party refuses to accept a change in his or her position, it is called a concession. 33) \_\_\_\_\_
- 34) Concessions restrict the range of options within which a solution or an agreement will be reached. 34) \_\_\_\_\_
- 35) Two of the dilemmas in mutual adjustment that all negotiators face are the dilemma of honesty and the dilemma of trust. 35) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 36) Which of the following concerns how much of the truth to tell the other party in a negotiation? 36) \_\_\_\_\_  
A) Dilemma of trust                      B) Dilemma of morality  
C) Dilemma of honesty                      D) Dilemma of independence

37) What are the two dilemmas of negotiation? 37) \_\_\_\_\_  
A) The dilemma of trust and the dilemma of cost  
B) The dilemma of honesty and the dilemma of trust  
C) The dilemma of cost and the dilemma of profit margin  
D) The dilemma of honesty and the dilemma of profit margin

38) Satisfaction with a negotiation is determined by: 38) \_\_\_\_\_  
A) The total dollar value of concessions made by each party.  
B) The process through which an agreement is reached and by the actual outcome obtained by the negotiation.  
C) The process through which an agreement is reached and the dollar value of concessions made by each party.  
D) The actual outcome obtained by the negotiation as compared to the initial bargaining positions of the negotiators.

39) A zero-sum situation is also known as what kind of a situation? 39) \_\_\_\_\_  
A) Distributive            B) Integrative            C) Win-win            D) Loss-loss

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

40) Most actual negotiations are a combination of claiming and creating value processes. 40) \_\_\_\_\_

41) Negotiators do not have to be versatile in their comfort and use of both major strategic approaches to be successful. 41) \_\_\_\_\_

42) Negotiator perceptions of situations tend to be biased toward seeing problems as more distributive or competitive than they really are. 42) \_\_\_\_\_

43) Conflict doesn't usually occur when the two parties are working toward the same goal and generally want the same outcome. 43) \_\_\_\_\_

44) Actors pursuing the inaction strategy show little interest in whether they attain their own outcomes, as well as little concern about whether the other party obtains his or her outcomes. 44) \_\_\_\_\_

45) As a conflict management strategy, compromising represents a strong effort to pursue our own outcomes and a moderate effort to help the other party achieve his or her outcomes. 45) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 46) Which of the following statements about conflict is true? 46) \_\_\_\_\_  
A) Conflict can occur when two parties are working toward the same goal and generally want the same outcome.  
B) Conflict is the result of tangible factors.  
C) Conflict only occurs when both parties want a very different settlement.  
D) Conflict has a minimal effect on interdependent relationships.
- 47) Which of the following contribute to conflicts' destructive image? 47) \_\_\_\_\_  
A) Misperception and bias  
B) Increased communication  
C) Clarifying issues  
D) Minimized differences; magnified similarities
- 48) All of the following are major strategies for conflict management that have been identified in the *dual concerns model*, **except**: 48) \_\_\_\_\_  
A) Action  
B) Yielding  
C) Compromising  
D) Problem Solving
- 49) In which of the following conflict management strategies do actors show high concern for attaining their own outcomes and high concern for whether the other party attains his or her outcomes? 49) \_\_\_\_\_  
A) Contending  
B) Inaction  
C) Problem solving  
D) Yielding

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 50) What are the three reasons negotiations occur?
- 51) Experience always makes a negotiator better at bargaining. Do you agree or disagree with this statement?
- 52) How does choice motivate negotiation?
- 53) Describe tangible and intangible factors in negotiation?
- 54) What are the three characteristics of most relationships *between* parties?
- 55) Define "zero-sum" situation.
- 56) Describe a "mutual-gains" situation.
- 57) What does the acronym BATNA mean?

- 58) What role do *concessions* play when a proposal isn't readily accepted?
- 59) What are concessions?
- 60) Contrast and compare the dilemmas of honesty and trust.
- 61) Describe the strategies and tactics a negotiator would employ in a *distributive* bargaining situation.
- 62) Why should negotiators be versatile in their comfort and use of both value-claiming and value-creating strategic approaches?
- 63) Compare a problem solving conflict management strategy to a compromising conflict management strategy.
- 64) Explain how conflict is a potential consequence of interdependent relationships.

Answer Key

Testname: UNTITLED1

- 1) FALSE
- 2) D
- 3) FALSE
- 4) TRUE
- 5) TRUE
- 6) FALSE
- 7) C
- 8) FALSE
- 9) FALSE
- 10) TRUE
- 11) TRUE
- 12) TRUE
- 13) TRUE
- 14) TRUE
- 15) TRUE
- 16) FALSE
- 17) C
- 18) C
- 19) TRUE
- 20) FALSE
- 21) TRUE
- 22) FALSE
- 23) TRUE
- 24) TRUE
- 25) FALSE
- 26) C
- 27) C
- 28) D
- 29) D
- 30) TRUE
- 31) FALSE
- 32) TRUE
- 33) FALSE
- 34) TRUE
- 35) TRUE
- 36) B
- 37) B
- 38) B
- 39) A
- 40) TRUE
- 41) FALSE
- 42) TRUE
- 43) FALSE
- 44) TRUE
- 45) FALSE
- 46) A
- 47) A
- 48) A
- 49) D

- 50) Negotiations occur for several reasons: (1) to agree on how to share or divide a limited resource (such as land, property or time); (2) to create something new that neither party could do on his or her own; or (3) to resolve a problem or dispute between the parties.
- 51) Answers will vary. Experience does not necessarily lead to better negotiating skills because the real world contains so few sources of accurate feedback that can help someone improve their skills.
- 52) Choice motivates negotiation when someone thinks they can get a better deal by negotiating than by simply accepting what the other side will *voluntarily* give them or let them have. Negotiation is largely a voluntary process. We negotiate because we think we can improve our outcome or result, compared to not negotiating or simply accepting what the other side offers. It is a strategy pursued by choice; seldom are we required to negotiate.
- 53) Tangible factors include quantifiable items (price, terms of agreement, etc). By intangible factors, we are referring to the deeper psychological motivations that may directly or indirectly influence the parties during the negotiation.
- 54) Most relationships between parties may be characterized in one of three ways: independent, dependent, and interdependent.
- 55) Individuals are so linked together that there is a negative correlation between their goal attainments.
- 56) When parties' goals are linked so that one person's goal achievement helps others to achieve their goals, it is a mutual-gains situation, also known as a non-zero-sum or integrative situation, where there is a positive correlation between the goal attainments of both parties.
- 57) Best Alternative to a Negotiated Agreement.
- 58) If the proposal isn't readily accepted by the other, negotiators begin to defend their own initial proposals and critique the others' proposals. Each party usually suggests alterations to the other party's proposal, and perhaps also changes his or her own position. When one party agrees to make a change in his or her position, a concession has been made. Concessions restrict the range of options within which a solution or agreement will be reached. When a party makes a concession, the *bargaining range* (the difference between the preferred acceptable settlements) is further constrained.
- 59) A concession has been made when one party accepts a change in his or her position. Concessions restrict the range of options within which a solution or agreement will be reached.
- 60) Dilemma of honesty concerns how much of the truth to tell the other party. The dilemma of trust is how much of what the other party tells them should negotiators believe.
- 61) In distributive situations, negotiators are motivated to win the competition and beat the other party, or gain the largest piece of the fixed resource that they can. In order to achieve these objectives, negotiators usually employ "win-lose" strategies and tactics. This approach to negotiation—called distributive bargaining—accepts the fact that there can only be one winner given the situation and pursues a course of action to be that winner. The purpose of the negotiation is to claim value—that is, to do whatever is necessary to claim the reward, gain the lion's share, or gain the largest piece possible.
- 62) Not only must negotiators be able to recognize which strategy is most appropriate, but they must be able to use both approaches with equal versatility. There is no single "best," "preferred," or "right" way to negotiate; the choice of negotiation strategy requires adaptation to the situation. Moreover, if most negotiation issues or problems have claiming and creating value components, then negotiators must be able to use both approaches in the same deliberation.



- 63) Problem solving (also called collaborating or integrating) is the strategy in the upper-right corner. Actors pursuing the problem-solving strategy show high concern for attaining their own outcomes and high concern for whether the other party attains his or her outcomes. In problem solving, the two parties actively pursue approaches to maximize their joint outcome from the conflict.

Compromising is the strategy located in the middle of the dual concerns model (Figure 1.1 in the text). As a conflict management strategy, it represents a moderate effort to pursue our own outcomes and a moderate effort to help the other party achieve his or her outcomes. Pruitt and Rubin do not identify compromising as a viable strategy; they see it "as arising from one of two sources—either lazy problem solving involving a half-hearted attempt to satisfy the two parties' interests, or simple yielding by both parties."

- 64) Conflict can result from the strongly divergent needs of the two parties or from misperceptions and misunderstandings. Conflict can occur when the two parties are working toward the same goal and generally want the same outcome or when both parties want very different outcomes. Regardless of the cause of the conflict, negotiation can play an important role in resolving it effectively.