

Negotiating on thin ice essay sample



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The National Hockey League (NHL) has brought the world an exciting sport that attracts thousands of fans each year in addition they bring into the sport exciting passionate players that increases the excitement. Year over year NHL increased their fan base in addition to the number of players and teams. Yes, the parties involved should try to reach an agreement that would be beneficial to both sides and each of the parties has to be willing to compromise in order to reach an agreement. The disagreement and downfall within the sport was when the lockout meaning “no hockey would be played, no revenues would be collected, and no salaries would be paid, with the lockout in effect, 150 NHL players joined European hockey clubs and sports arena began finding other sources of revenue” (Malhotra & Hout, 2006). The players and the Union should reach an agreement to prevent future cancellation which could result in the loss of more fans and sport arenas.

The biggest barrier was the player’s salaries because according to the owner NHL the compensation was too high and it was not justifying revenues. The players who are represented by the National Hockey League Players Association (NHLPA) were not ready to adapt in a temporary reduction in their salaries and did not want to reach agreement. NHLPA argument was that they did not feel that the NHL was reporting accurate revenues and in turn the players deserved to receive their expected salaries. Bettman and Goodenow created a barrier because according to (Malhorta & Hout, 2006, p. 1) their tactic of using shadows of their shared past was not creating an effective result.

Bettman and Goodenow should not be the ones anticipating the overcome of any barriers because they are a part of the barriers, when the negotiations

created a halt in the sport they should have re-evaluated the situation instead of refusing to comprise. The players and the Union should be the parties who should have say in resolving the negotiations because in my opinion the NHLPA was there to help and fight for them but at the same time the players lost their voice and in turn barriers were created.

The players and the owners began to make moves in hopes the other would give in and come to a resolution but it was the moves being made that challenged the opponents which at times was not even present issues. The owners would threaten deadlines when demands needed to be met or they would cancel the season, they deployed bogeys in addition to other threats. Bettman stated “ This offer is not an invitation to begin negotiations – it’s too late for that”. The players used moves such as accusing the owner’s of not being fully invested in the sport as they were not “ hockey guys”, they challenged the accuracy of NHL revenues and threatened to continue to play on different hockey leagues. Moves require parties to take turns, neither side wanted to reach an agreement instead they continued throwing out threats.

The owner’s eventually hired a third party to verify NHL revenues to try correct the player’s accusations but it did not play in favor of the owners. The owners and the union were extremely stubborn making a negotiation impossible. The player’s eventually tried to give in by having the NHLPA agree to salary cuts and a salary cap but the owners continued with their attitudes of take our offer or leave it. The rivalry between Goodenow and Bettman did not help the situation because these two continued to try to prove themselves and make their way into leadership activities but because

they could not get a long it typically resulted in confusion and did not help with creating a productive negotiation.

The union strengthened their BATNA not long after the lock out because they went and played hockey for other leagues. The players made it clear to the NHL that they could not stop them from playing hockey and they were going to continue utilizing their talents by playing in different countries. NHL had to come to the realization that the players were not playing just for the money, they played because of their passion for the sport, and in addition as the players began playing for other leagues it was only hurting the NHL because instead of receiving millions in revenue they were not receiving revenue at all.

The players however, weakened their BATNA when players started talking about how they did not want to play in other leagues. NHL strengthened their BATNA when the owner of the Atlanta Thrashers came out stating that he would start considering replacement of players. The League engaged in a war of attrition and made the dispute last at least the season and preseason. The owners could do this simply because they had more resources then the union did. This turned out to be a very effective power move for the owners, because they made little concessions while the player made large concessions.

The players final agreement is a great offer for competitive, revenue generating team owners, for high end players they are now faced with losing more money and the lower-paid players would not lose as much. The final agreement was a good agreement because finally all parties agreed, the

players were able to return to play NHL the American league and revenues were on their way back to making a large profit. It all depends how you want to look at the agreement. If you strictly look at the money, the players got hosed. The 39 million dollar salary cap is a far cry from the 49 million dollars they asked for. But if you look at the deal as whole, the players received a lot more power than they had. The minimum salary went from \$185, 000 to \$450, 000. Strict standards were set reporting hockey related revenue, and players could now see a direct correlation between salaries and revenues. Player would also be entitled to more money if the league was doing well. Now the players had the ability to influence the game and were given equal representation on the “ Competition Committee,” and a “ Marketing Committee.” This along with many other things was granted to the players in place of the money lost.

Comparing deals is irrelevant and we don't live in a world of “ what ifs.” The goal of any negotiation is too great a valued outcome and I believe the players got that. Distrust is the most critical barrier of all negotiations. It is the fundamental dilemma of negotiations that make it dynamic. The barrier of trust was evident throughout the entire dispute between the NHLPA and the owners and it plagues interactions from start to end. The barrier of distrust may be the most difficult to eliminate, but it is important that confront with great effort. Initially, neither party made nor effort to tackle the distrust barrier. Then the owners made a very poor effort to address their financial blunders, this lack of effort only worsened the tension between the two sides. Lack of honesty created goals not being addressed and

information was not shared therefore progress was not being made in a timely manner.

References

Malhotra, D., & Hout, M. (2006). Negotiating on Thin Ice. The 2004-2005 NHL Dispute, 9-906-038, 1-20. Retrieved from [http://www. hbsp. harvard. edu](http://www.hbsp.harvard.edu)