

Distributive bargaining

Business, Management



DISTRIBUTIVE BARGAINING al Affiliation Distributive bargaining The distributive bargaining negotiation skills are listed as 3.1, 3.2, 3.3, 3.4 and 3.5. The first negotiation skill is Skill 3.1, refers to the ability to recognize a distributive bargaining scenario by its three major constituents and prepare to apply the necessary strategies and schemes to attain a desired outcome in negotiation. Its purpose is to evaluate the situation as distributive bargaining scenario. The second skill is Skill 3.2, referring to the ability to determine a reservation price in order to avoid confusion which may lead agreeing to offers that are unacceptable. The purpose is to set parameters that determine the reservation price.

The third skill set is Skill 3.3 which refers to the ability to learn the other party's offer and bracket it so as to attain a desired outcome in a distributive negotiation. The fourth skill set is Skill 3.4. It refers to the ability to recognize custom practices and use them in evaluating offers, making counter offers, and reaching acceptable settlement points. The final skill is Skill 3.5, which refers to the ability to learn the significance of framing in its role in negotiation. The purpose of the skill is to influence others perception and how they respond to offers (Carrell 2008).

Zone of possible agreement (ZOPA): if assumed that the buyer's maximum price is b . the seller's minimum acceptable price by the seller is s . if b is greater than s then ZOPA exists. In other words ZOPA occurs because the buyer is willing and able to meet or surpass the minimum price set by the seller. ZOPA reflects the negotiating latitude, bargaining attitude, settlement range or bargaining range. Experienced negotiators argue the criticality of making the initial offer because it can greatly influence the other negotiating

party's perception of Zone of possible agreement since each party bases estimation of ZOPA on their reservation (Carrell 2008).

Relational information are beliefs, facts and feelings concerning the relations of the parties. Relational information help in building a good will relationship in distributive bargaining. Substantive information are facts or questions concerning the other party's offer that utilizes reason and logic. The information can be used to dictate negotiation in distributive bargaining.

Equality norm refers to a scenario in a distributive bargaining case where both parties in the negotiation split the difference and gain an equal amount.

Equity norm refers to a situation where the split is carried based on the input of the parties involved in negotiation. Equity norm and equality norm are essential in distributive bargaining because they are applied to settle standoff positions during negotiations (Carrell 2008).

References

(n. d.). Retrieved February 20, 2015, from <http://www.prenhall.com/behindthebook/0131868667/pdf/CarrellCh03final.pdf>

Carrell, M. R. & Heavrin, C. (2008). *Negotiating essentials: Theory, skills, and practices*. Upper Saddle, NJ: Pearson Prentice Hall. ISBN-10: 978-0-13-186866-3.