

# Bargaining, First Offers & Anchoring

## Instructions

When doing the reading for this class, there are the two basic kinds of information you need to understand:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

*It is information of the second sort that will be our primary concern, since our most basic task is to evaluate the reasons and evidence that are offered to support accepting one possible position on an issue, rather than another.*

## Reading

Galinsky, A. D. (2004, July). Should you make the first offer? *Negotiation*, 7(7).

## Questions

1. The most common question students have about negotiation concerns first offers.

According to Adam Galinsky, who should make the first offer and what kind of offer should it be? What reasons does he give to justify his position?

Galinsky's article is primarily about *bargaining* (also known as *distributive negotiation*, *distributive bargaining*, and/or *positional bargaining*). This refers to the negotiation process where each party tries to claim value for themselves, which comes at the expense of the other party, as they divide or distribute value between themselves. This often occurs when there is only one issue at stake, involving the allocation of something scarce, such as money, status, or resources. For example, a buying/selling interaction may be like this, with the parties haggling over the sale price.

While this class will focus primarily on developing your abilities in principled negotiation and conflict resolution, it is still important to have familiarity with bargaining. After all, you will sometimes find yourself in unavoidable bargaining situations. Furthermore, many of the basic principles of bargaining (goals, expectations, bottom lines, and first offers) continue to have relevance for principled negotiation and conflict resolution.

To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.