MANAGERIAL ROLES AND FUNCTIONS IN NEGOTIATION PROCESS

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Abstract. The paper is focused on negotiation processes performed in a company and presents author’s concept of the description of the roles and functions accomplished by managers within those processes and being of significant importance from the point of view of negotiations’ outcomes. Such a concept aims at providing the analysis and conducting of business negotiations with effective support. Firstly (following introduction), the concept, types, and comprehensive model of such negotiations is presented as a useful methodological framework for specifying managerial roles and functions. Secondly, some classic concepts of those roles are reviewed, drawing special attention to the ones that concern negotiation process. Thirdly, general managerial functions within that process are described. Fourthly, those functions are precised by relating them to typical hierarchical levels. Fifthly, peculiar managerial functions within negotiating team are discussed. Finally, specific issue of the role of manager as a mediator is addressed. Summing up the paper, the crucial areas for subsequent research were pointed out. In order to elaborate the presented concept the author carried out the comparative study of negotiation literature as well as developed his original ideas.

Keywords: negotiations in a company, managers in negotiation process, negotiation roles and functions.

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JEL Classification: M19.

1. Introduction

Within contemporary companies and their environment numerous, very dynamic, and highly complicated intra- and inter-organizational relations occur, of both competitive and cooperative character. That results in sharply increasing in scope and importance of business negotiations. Frequently they involve many parties at the table, which make it difficult to reach satisfactory agreement between numerous stakeholders. It is necessary to include their various objectives, either common or conflicting. Creating and applying effective negotiation strategies and tactics becomes more and more complicated.
Especially such negotiations arise while establishing strategic partnership, undertaking joint ventures, performing strategic alliances, mergers and acquisitions, creating networks and virtual or process-oriented organizations, maintaining industrial relations, and within other complex transactions, comprising numerous issues and parties as well as involving considerable risk or even uncertainty, caused by the impact of turbulent environment.

Taking into account presented features of contemporary business negotiations, it should be concluded that global business environment stimulated by modern information technology is highly challenging to the managers within present companies, especially from the point of view of performing negotiation processes effectively enough. Therefore it is necessary to specify the roles and functions being accomplished by the managers within those processes. Thus the objective of the paper is to present author’s concept of the description of those roles and functions, which is based on the original, complex model of negotiations in a company.

Unfortunately the issue to be discussed in the paper is not investigated thoroughly enough in the research and literature on negotiations. Only very few works has discussed managerial aspects of business negotiations so far, mainly some books published many years ago, e.g. (J. Brooks, E. Brooks 1979), (Brooks, Odiorne 1984), (Lax, Sebenius 1986), (Ramundo 1994), and (Sheppard 1983). It is rather difficult to find any remarkable and worth quoting recent publications on the considered issue. Therefore the author has developed and presents his own ideas.

2. Concept and types of business negotiations

It is assumed that business negotiations should be treated as a specific process, i.e. complex venture (project), including many activities of the parties interested in reaching agreement and resolving conflicts that may occur. Those activities interact with one another in many different ways. First of all negotiations constitute interactive decision making process. At the initial stage of that process the parties on them own formulate alternative solutions to the considered problems and specify criteria for the evaluation of alternatives, reflecting solely individul parties’ goals and interests. Then all negotiators must adjust both alternatives and criteria to reach common ground at the level satisfactory for all sides. The decisional dimension of negotiations is the most important for the purpose of their analysis, organizing, and leading. The other important aspects of business negotiations are as follows (Lewicki et al. 2005: 17–33), (Rządcza 2003: 23–47), (Kozina 2012: 21–24):

1) conflict resolution and search for an agreement, which creates:
2) mutual dependence between parties,
3) interpersonal communication process,
4) mutual exchange of tangible and intangible values,
5) new values creation.
As far as the types of business negotiations are considered, from the point of view of a company as either their party or environment, numerous of those types can be distinguished, applying two sets of criteria:

1) basic ones – clarifying specific features of business negotiations and
2) supportive ones - reflecting their common characteristics (see Table 1).

Table 1. Types of business negotiations (Source: created by the author)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Types of negotiations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>According to basic criteria</strong></td>
<td></td>
</tr>
<tr>
<td>Negotiation environment and partners.</td>
<td>Intra-organizational (internal) – between organizational posts and units within a company.</td>
</tr>
<tr>
<td></td>
<td>Inter-organizational (external) – between company representatives and external stakeholders (clients, suppliers, subcontractors and so on).</td>
</tr>
<tr>
<td>Areas of company performance (business functions), i.e. negotiations within:</td>
<td>Operations (core) processes, e.g. production ones.</td>
</tr>
<tr>
<td></td>
<td>Human resource management, especially collective bargaining.</td>
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<tr>
<td></td>
<td>Marketing and trade – concerning both sales and supply.</td>
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<td></td>
<td>Accounting and finance.</td>
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<td></td>
<td>Research and development.</td>
</tr>
<tr>
<td></td>
<td>Mixed – concerning issues from different areas, e.g. within project management or process-oriented structures.</td>
</tr>
<tr>
<td>Negotiations importance (significance).</td>
<td>Strategic – concerning fundamental issues, e.g. mergers or alliances.</td>
</tr>
<tr>
<td></td>
<td>Tactical – creating capabilities, e.g. material supply, production maintenance.</td>
</tr>
<tr>
<td></td>
<td>Operational – within processes performance, mainly internal and external cooperation.</td>
</tr>
<tr>
<td>Negotiations frequency.</td>
<td>Routine (recurrent).</td>
</tr>
<tr>
<td></td>
<td>Occasional (exceptional).</td>
</tr>
<tr>
<td><strong>According to supportive criteria</strong></td>
<td></td>
</tr>
<tr>
<td>Negotiations scope.</td>
<td>Simple – on singular issues, e.g. price or wages.</td>
</tr>
<tr>
<td></td>
<td>Complex (multi-issued), e.g. trade or credit negotiations.</td>
</tr>
<tr>
<td>Negotiations goals and character of conflict.</td>
<td>Compulsory – e.g. collective bargaining, negotiating with a boss.</td>
</tr>
<tr>
<td></td>
<td>Voluntary, e.g. with suppliers, clients and other partners.</td>
</tr>
<tr>
<td></td>
<td>Alignments – mutual agreements within processes being performed.</td>
</tr>
<tr>
<td>Number of negotiations partners.</td>
<td>Two-party.</td>
</tr>
<tr>
<td></td>
<td>Multi-party.</td>
</tr>
<tr>
<td>Attitude towards negotiations.</td>
<td>Integrative (cooperative, win-win).</td>
</tr>
<tr>
<td></td>
<td>Distributive (competitive, win-loose).</td>
</tr>
</tbody>
</table>
Considering the types of negotiations presented in Table 1, it should be stressed that each manager in a company is usually involved in managing different types of them within his (her) area of responsibility. This is due to performing typical, universal managerial functions (planning, organizing and controlling), and is applied to the extent determined by the scope, objectives, context, etc. of particular negotiations. The issue of specific managerial activities within negotiations will be discussed later on.

3. Comprehensive model of negotiations within a company

As a convenient base for precising managerial roles and functions within negotiation process the comprehensive (multidimensional) model of business negotiations may be applied, elaborated by the author (Kozina 2012: 46–55). That model, presented in Table 2, is based on some assumptions, listed below.

It is assumed that while constructing the comprehensive model of business negotiations, it is necessary to integrate the concept of such negotiations with general management theory. That will allow reflecting all specific features of those negotiations. Such a synthesis is unavoidable due to the fact that none of those two theories on its own could be used to construct the model of business negotiations. Negotiation theory provides us with standard (general) tools, without sufficient attempt of integrating them, from a company perspective in particular, which can be achieved in management theory. The latter one, on the contrary does not analyze the features of negotiations exhaustively enough, in order to describe, analyze and improve them, which takes place within negotiation theory, however in a very universal way. Therefore the model of business negotiations must be based on complex approach to management process.

From the point of view of company’s features, as both a party and an environment of negotiations, it is indispensable to see their role in a company from holistic perspective, integrating different concepts stemmed from the other works on business negotiations in literature. Negotiations are strictly subordinated to establishing company’s objectives as a specific type of an organization. They are necessary for both establishing company’s interactions with environment and determining internal cooperation. Moreover, regarding negotiations as an interactive decision process (see above), allows us to notice their indiscrete relation with management process. For each specific negotiation situation it is a particular manager or other employee – company representative or a member of negotiating team (subordinated to that manager due to the delegation of authority) – who is responsible for performing negotiation process. Therefore we face “managing by negotiations” (Brooks, Odiorne 1984), “framing negotiations structure” (Watkins 2005: 13), “creating negotiations infrastructure” (Ertel 2005) or “substituting negotiations by institutional solutions” (Rządca 2003: 171).

Moreover it is required that the model of business negotiations should be characterized by two features. Firstly, it must be universal (general) enough, i.e. applicable to all either typical or exceptional negotiation situations, considering the activities, projects, etc. within
all functional areas in a company. Secondly, that model should be of multi-dimensional (complex) character, i.e. ought to reflect their all different features, circumstances and so on of business negotiations as well as the tools (procedures, rules, techniques) for conducting them. Thus it was assumed that negotiations in a company can be characterized by a number of aspects (dimensions), mirrored in Table 2.

Table 2. The description of business negotiations model (Source: created by the author)

<table>
<thead>
<tr>
<th>Dimensions (aspects)</th>
<th>The interpretation of particular dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVES</td>
<td>General negotiations objectives are strictly (directly) determined by the needs and requirements of particular venture, project, transaction etc., which is performed by using negotiations as a specific managerial instrument, e.g. buying or selling goods, establishing compensation systems, gaining financial resources and so on. Those objectives are also depended (indirectly) on overall company’s goals, stemming from its strategy and mission, e.g. expansion on new, promising markets, investment in up-to-date technology, or alliances with other companies. Such goals constitute negotiations external objectives, formed by managers supervising negotiations and expressed by general effectiveness criteria for particular ventures, such as profitability, productivity, etc. Partial negotiations objectives (tasks) are determined by other dimensions, the scope in particular and concern specific issues to be negotiated.</td>
</tr>
<tr>
<td>SCOPE</td>
<td>General problems to be solved in negotiations (like their general objectives) are affected by specific functional areas within a company. Particular problems (issues) are determined by specific types of business negotiations, characterized by the parameters reflecting the parties, problems, context, etc. of negotiations, for example in trade transactions the following issues constitute the scope of negotiations: product portfolio, prices, terms of payment, period of guarantee, etc.</td>
</tr>
<tr>
<td>RESOURCES</td>
<td>Human resources – organizational posts and units accomplishing particular tasks throughout negotiations processes (in internal negotiations or as company representatives – in external ones), provided with specific scopes of responsibilities as well as relevant competencies (knowledge, skills and abilities, and personal features). Those posts (units) are of dual character: managerial ones – supervising negotiation processes and operational ones – responsible for conducting negotiation processes. Material resources – either utilized or created in negotiations, including the following types of resources: − information – data and knowledge bases and information systems supporting negotiations, − financial ones – necessary expends on negotiations, − technical ones – hardware and software, networks, data carriers and other equipment and materials, − time and place of negotiations.</td>
</tr>
<tr>
<td>PROCESSES</td>
<td>General negotiations process (meta process) and its sub-processes: planning, performing, and recapitulating. Each of those sub-processes comprises a number of phases (steps) and many particular activities.</td>
</tr>
<tr>
<td>TOOLS</td>
<td>Various, particular tools, i.e. models, principles, rules, methods, techniques, applied to perform specific activities within negotiation processes in order to solve problems occurring throughout those processes.</td>
</tr>
</tbody>
</table>
The dimensions presented in Table 2 are of universal character and they must be concretized for specific negotiations. In some of them one dimension maybe more or less important than other ones. On some occasions in order to describe those dimensions, supplementary analyses are necessary, e.g. economic, legal, or marketing ones. It is also necessary to determine priorities for some dimensions, in particular objectives and resources, especially if they are limited. Obviously this is managerial activity, which must follow general goals and position of a company, influencing the objectives of particular negotiations.

Additionally, it should be stressed that presented model is of dual character. Firstly, descriptive one, allowing to identify all crucial aspects (dimensions) of business negotiations. Secondly, normative one, suggesting eligible solutions for conducting negotiation processes effectively.

As it can be seen in Table 2, one of the crucial aspects of negotiations in a company is the personal one, considering human resources performing negotiation processes. In particular that aspect concerns managers, responsible for planning, organizing, supervising, monitoring, and evaluating those processes. Therefore in order to perform them effectively it is necessary to properly specify the functions of managers involved in those processes. It is crucial throughout entire negotiations, i.e. while selecting employees and adjusting their competences to particular negotiation situations (in the process of their planning), during the process of conducting them as well as while evaluating their performance in the process of negotiations assessment.

4. Negotiating as one of managerial roles

For each particular negotiation in a company their principal is a manager at higher level of hierarchy or an employee to whom responsibility for supervising negotiations has been delegated. Such a person is also responsible for performing negotiations, and accomplishing their goals. It is either a member of functional department or project team (usually in intra-organizational negotiations) or company representative (individual or member of negotiating team), which occurs within inter-organizational negotiations.

Therefore managerial functions in negotiations must be seen in the context of typical roles and competencies of executives. In particular the classic concept of such roles by H. Mintzberg may be considered. He distinguished ten roles of that kind, divided into three categories, i.e. informational, interpersonal and decisional (Mintzberg 1973). One of the last ones is the role of “negotiator”. Playing that role manager represents the organizations in different negotiations, either intra- or inter-organizational ones. Focuses on searching for necessary agreements with trade unions, stakeholders, clients, suppliers, subcontractors and so on, which affect his (her) area of responsibility and utilizing the information at his (her) disposal. Another decisional role by H. Mintzberg, connected with negotiations, is the role of “disturbance handler”. Manager takes corrective action when organization faces unexpected difficulties or disturbances, deals with threats, etc., in particular resolves conflicts among staff.

Similar interpretation to the above mentioned roles have the concepts by another two authors. In the frame of his taxonomy of leadership behavior, comprising nineteen categories, G. A. Yukl distinguished the dimensions of „representation” and „conflict management” (Yukl 1981: 73–75). Among eight managerial roles R. E. Quinn described the two following ones:
1) “broker (mediator)” (resource-oriented) – in the frame of “open systems model”, including effective negotiations;

Moreover the concept of “managerial negotiations” by A. Fowler may be quoted. The partners (sides) of such negotiations are different types of executives, considering their status, authority, reciprocal commitments, knowledge and expertise (Fowler 2001: 142–150).

5. General managerial functions in negotiations

In order to define such functions, the concept contained in the work (Brooks, Odiorne 1984: 172–182) can be used – see Table 3. That concept is universal, i.e. it refers to any managerial functions within negotiations, performed not only at the higher levels of hierarchy, but also at medium and lower ones or even (at least partially) by functional managers. Within the model presented in Table 3 there may be feedback loops, combining some activities, in particular changes to the objectives and strategies as the result of the performance evaluation. In addition, higher levels of management are often also involved in the implementation of the agreements.

Table 3. The functions of managers within negotiations
(Source: created by the author using (Brooks, Odiorne 1984: 172–182))

<table>
<thead>
<tr>
<th>Recognizing need for negotiations in the context of overall company goals</th>
<th>Detailed activities (tasks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early planning (preplanning):</td>
<td>– appointing study group to assess costs and benefits as well as major issues in negotiations, – determining general objectives for negotiations, – drawing up their tentative schedule.</td>
</tr>
<tr>
<td>Making decision to negotiate and calling together department managers:</td>
<td>– communicating broad objectives, – inviting contributors, – rallying managers around company goals, – establishing oneself in leadership role.</td>
</tr>
<tr>
<td>Building negotiating team:</td>
<td>– selecting complementary members, – defining their responsibilities, – stating broad objectives.</td>
</tr>
<tr>
<td>Facts (data) finding:</td>
<td>– arranging communication network, – providing conceptual framework for teams gathering information, – reviewing summary report of findings.</td>
</tr>
<tr>
<td>Analyzing facts (data):</td>
<td>– providing analytical framework, – participating in developing strategic objectives, – reviewing plans with long term perspective of total organization.</td>
</tr>
<tr>
<td>Negotiation talks:</td>
<td>– defining team authority, – establishing guides (instructions), – being available for remedial role.</td>
</tr>
<tr>
<td>Ratification and announcement of agreement.</td>
<td></td>
</tr>
<tr>
<td>Assessment of results and performance review from the perspective of a company as a whole, negotiating team and its individual members.</td>
<td></td>
</tr>
</tbody>
</table>
For comparison, B. A. Ramundo even more extensively discusses the place and role of negotiations in managerial work, i.e. in the frame of specific functions and tasks of executives, such as leadership, motivation, managing changes, information, time, etc., emphasizing their positive impact on managerial efficiency (Ramundo 1994).

6. Negotiation functions according to hierarchical levels

The importance of negotiation as one of managerial roles and the scope of ongoing activities on this occasion, despite their relatively general character, differs however according to typical levels in organisational hierarchy, due to the nature of the management process (see Table 4).

Table 4. Specific functions in negotiations according to the levels of hierarchy
(Source: created by the author)

<table>
<thead>
<tr>
<th>Level of hierarchy</th>
<th>Specific managerial functions (tasks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top (strategic one)</td>
<td>Establishing general principles of negotiation processes in the company. Planning, organizing and controlling the negotiations on the middle and lower levels. Appointment (setting tasks and powers) of negotiators (and team leaders), representing the company and the supervision and evaluation of their activities. Participation in external negotiations of strategic importance, such as mergers and acquisitions, sale of company assets, etc., and with key internal stakeholders (owners and trade unions).</td>
</tr>
<tr>
<td>Middle (tactical one)</td>
<td>Contributing to the development of rules and procedures for conducting negotiations in the company. Arranging the conditions for inter-organizational negotiations. Chairing the negotiations. Forming and supervising negotiating team members at lower levels. Conducting negotiations (internal and external) necessary to ensure the conditions for achieving the objectives and strategies of the company. Resolving conflicts at the operational level. Reconciliation (confronting) of conflicting requirements of higher and lower levels.</td>
</tr>
<tr>
<td>Lower (operational one)</td>
<td>Contributing to the elaboration of specific procedures, guidelines and instructions for negotiating. Participation in negotiating teams and supervising the activities of their members. Conducting operational (repetitive, routine) negotiations, concerning current problems of the company on the basis of agreed procedures for negotiation. Resolving conflict in teams of employees.</td>
</tr>
</tbody>
</table>

7. Managerial functions within negotiating team

The specific context of managerial functions within negotiations is created by organizing, maintaining and evaluating different negotiating teams in a company, including their size, roles, tasks and so on.
The objective of the most important activities carried out while creating a negotiating team is to clarify the tasks and powers of the company’s representatives in negotiations – the individuals or team members as well as the other employees that are engaged in negotiations, mainly from functional units. In order to achieve that objective the following actions are necessary:

1) determining and delegating tasks,
2) stating and allocating powers and responsibilities adequate to those tasks,
3) elaborating and delivering relevant negotiation guidelines (instructions).

As final effect of the implementation of those activities the substantive and formal determination of the place and role of human resources (their allocation) in negotiations takes place.

Considering the creation of negotiating team the attention should be drawn to the two roles being usually distinguished within such a team (Schoonmaker 1989: 216–228).

1. Superior (principal) – manager at higher level, empowered to make decisions on the field (area, process, project, task, etc.), within which negotiations are being used as a tool for solving particular problems. That role is fundamental one from the point of view of negotiations objectives and entire company goals. It comprises supervising the full range of negotiation activities throughout their process.

The particular tasks of the negotiations superior are as follows:
- taking responsibility for achieving the best possible results in terms of the objectives of negotiations and the company as a whole,
- making decision to initiate negotiations,
- appointing (nominating) team leader and approving the composition of the team,
- assigning tasks and delegating decision-making powers to the leader,
- monitoring team activities and the progress of negotiations,
- approving key decisions in the negotiation process, especially in terms of making major concessions and commitments,
- formulating final draft of the agreement (ratified later on higher level of hierarchy),
- making necessary interventions or direct involvement in conducting negotiations (if it is appropriate),
- acting as team leader in the case of direct participation to negotiations,
- evaluating the effectiveness of negotiations – external assessment from the point of view of general company goals.

2. Leader (head) of the team (boss, chief negotiator) – responsible for controlling (managing) entire negotiation process. His (her) particular tasks are as follows:
- determining partial (detailed) objectives of negotiations and their strategy and techniques,
- identifying and acquiring the resources necessary to conduct negotiations,
− determining the time and place of negotiations,
− designing the composition of negotiating team (choosing representatives),
− assigning team roles and tasks as well as delegating responsibilities to other team members (spokesperson, experts, behavioral and data analysts and so on),
− presenting proposals to the other side and making necessary concessions and commitments,
− coordinating entire negotiating process and facilitating teamwork,
− evaluating the effectiveness of negotiations – internal assessment, i.e. within negotiating team and considering particular negotiations objectives.

8. Manager as a mediator

Finally, it is necessary to describe specific managerial role in negotiations which is mediation, usually applied to facilitate resolving internal conflicts in a company by the executives (leaders) in particular teams of employees.

Generally speaking, mediation is “the intervention into a dispute or negotiation by an acceptable, impartial, and neutral third party, who has no authoritative decision-making power to assist disputing parties in voluntarily reaching their own mutually acceptable settlement of issues in dispute” (Moore 1993: 445). It is a “technique of staving off curbing a dispute, involving the participation of a third neutral party <...> The mediator assumes that the object of the conflict is a matter of its participants, so does not impose any solutions, but allows the parties to find a compromise” (De Sttephen 1988). The objective of mediation is to implement such course of action by the “third party” that (Mesjasz 1992):

1) prevents the escalation of the conflict, which may hinder or even preclude proper functioning of the organization or, in the case of a conflict between different organizations, may lead to the rupture of mutual contacts;
2) contributes to the reduction of intensity of the conflict, which is measured by the divergence of interests (goals) of the parties;
3) leads to a settlement of the conflict or solving it by such an arrangement of the situation that it is acceptable to both parties.

As a rule a mediator is “<...> a person (an organization) having no relationship with the parties of the conflict”. The mediator role is to control the activities of the antagonists and creating kind atmosphere. The mediator monitors the communication, not allowing inappropriate behaviors that may contribute to the escalation of the conflict (De Sttephen 1988). In Table 5 the list of specific mediator’s tasks is presented.

Within any intra-organizational conflict manager at a suitable level of hierarchy plays the role of mediator (Mesjasz 1992). Helps the parties to reach solutions to the problems, which provoke the conflict. Delimits or eliminates their opposition to an amicable solution. Avoids his (her) own personal involvement in the conflict. Subordinates
come to a compromise on their own and manager acts as arbiter, softening hostile behaviors (De Sttephen 1988). Does not allow the parties to use force in the conflict, personal connections and circuits, their status or position, etc. The manager as mediator: lists to the parties, analyzes and provides necessary information, searches for “common ground” to an agreement, and concludes the process. Makes decisions only when the situation becomes critical (Weiss 1993).

Table 5. The functions of mediator in negotiations  
(Source: created by the author using the following works: (Colosi 1993; Folberg, Taylor 1993; Mesjasz 1992; Moore 1993; Sheppard 1983))

<table>
<thead>
<tr>
<th>Negotiation phase (sub process)</th>
<th>Particular tasks of mediator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Negotiations planning:</td>
<td>gathering and analyzing necessary data, precising (clarifying) the parties’ interests and conflicting issues, developing negotiations plan (agenda), stating general rules (standards) of conduct and monitoring their compliance, selecting appropriate negotiating partners, promising from the point of view of actual possibilities of finding an agreement, preparing and/or providing the place (space) for negotiations.</td>
</tr>
<tr>
<td>2. Negotiations conducting:</td>
<td>inventing appropriate evaluation criteria and evaluating negotiators’ activities, transforming the conflict – the transition from distributive to integrative negotiations (promoting openness and willingness to compromise, rejecting confrontational attitudes, assuring negotiators from violent, destructive behaviors), maintaining and facilitating communication between the parties to the conflict and getting approval for the confrontation of “for and against” arguments, mediating in sharp conflicts, if the parties do not want to meet directly with each other, preventing the parties from further broadening (expanding) of the conflict, portraying adverse consequences of the conflict, if it is not resolved, preventing unnecessary broadening of the scope of negotiations, supporting decision making process by inventing the concept of conflict resolution, modifying organizational constraints and conquering circumstances, creating threats under the absence of changes in positions of conflicted parties, providing new resources enabling the parties to resolve conflict.</td>
</tr>
<tr>
<td>3. Negotiations summing up (closing):</td>
<td>determining the form and scope of the final contract, building an atmosphere of trust and strengthening the credibility, preparing a draft of compromise agreement, dispensing guarantees and sureties to the parties, assisting in the implementation and obeying the final agreement (contract).</td>
</tr>
</tbody>
</table>
General approach to mediation includes the following phases (Folberg, Taylor 1993):
1) introduction – creating trust and structure,
2) fact finding and isolation of issues,
3) creation of options and alternatives,
4) negotiation and decision making,
5) clarification and writing a plan,
6) legal review and processing,
7) implementation, review, and revision.

The process of managerial mediation comprises the following steps (De Sttephen 1988).

1. Preparation – manager explains to subordinates what is expected from them and what his (her) role is. They must know that he is not a judge evaluating who is right, he only will supervise their independent way of developing solutions.

2. Hearing of the parties – manager listen to the arguments of both sides in kind and sincere atmosphere, and then objectively summarizes what he has heard.

3. Presentation of problems – manager helps employees to identify problems at the root of the conflict. Discussion must concentrate on objective, contentious issues, not personal traits in order to make the parties perceive the problem as a common and requiring their co-operation while finding solutions to that problem.

4. Generation of solutions – manager should encourage employees to find alternatives to solve the problem, preventing them from needless assessing and ejecting only their own proposals. It is necessary no to blame them for the resulting conflict, but to take care of the future.

5. Achievement of approval – manager writes the solutions that have gained acceptance on both sides, helping to formulate the agreement in clear and concise way. Compromise must gain the support of both parties and at the same time be consistent with the objectives of the organization.

6. Approval of agreement – after reaching an agreement manager congratulates employees constructive solution to the conflict.

In some situations it may be necessary to repeat some of the steps listed above, two or several times. In order to make managerial mediation effective enough it is necessary to respect relevant rules (principles), listed in Table 6.

The rules presented in Table 6 must be followed by each manager supervising negotiations. His (her) most important role is to observe the situation carefully and facilitate the process of resolving conflict, which is the responsibility of its parties. While mediating between subordinates manager must be objective and prudent enough in order not to disrupt that process.
Table 6. The rules of managerial mediation (Source: created by the author on the base of three works enumerated below)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Focus on the process of the discussion on solutions.</td>
<td>1. Maintain adequate distance to the conflict.</td>
<td>1. Focus on the future.</td>
</tr>
<tr>
<td>2. Maintain objective attitudes to the solutions.</td>
<td>2. Do not intervene in the situation that does not apply to you as a manager.</td>
<td>2. Concentrate on the facts of the situation.</td>
</tr>
<tr>
<td>3. Refrain from considering and judging substantial matters.</td>
<td>3. Be objective – do not take sides.</td>
<td>3. Conduct the mediation session so that each side can present its viewpoint without interruption.</td>
</tr>
<tr>
<td>4. Determine rules of discussion.</td>
<td>4. Choose the right moment of intervention – preferably at the request of the parties, necessarily when the situation comes to deadlock.</td>
<td>4. Meet with the parties individually, if necessary.</td>
</tr>
<tr>
<td>5. Do not allow to interrupt sides’ statements.</td>
<td>5. Manage the conflict, but without taking responsibility for its solving.</td>
<td>5. Focus on the relationship.</td>
</tr>
<tr>
<td>6. Release each option from a list of possible solutions.</td>
<td>6. Conduct the mediation session so that each side can present its viewpoint without interruption.</td>
<td>6. Put the agreement in writing.</td>
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<tr>
<td>7. Refrain from negotiating until all points of view are presented.</td>
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9. Conclusions

Recapitulating, it should be stressed that the objectives of the study have been accomplished at satisfactory level. Namely:

1) the basis for the analysis of managerial roles and functions in negotiations in a company has been created, in the form of complex model of such negotiations,
2) general managerial roles and functions within negotiations have been discussed,
3) those role and functions have been varied according to hierarchical levels in a company,
4) specific supervising activities within negotiation team have been distinguished,
5) special role of a manager as a mediator has been described, including the functions necessary to perform that role and rules for doing so.

The suggested concept of managerial roles and functions within negotiation process, elaborated by the author and presented in the paper constitutes a very useful methodological framework for analyzing and performing numerous negotiations between business partners within contemporary global environment. By distinguishing and describing key elements of that concept, the real possibilities of their application to the analysis of various practical negotiations situation have been created.

On the other hand, the presented concept must be the subject for further research in order to make it more precise and detailed one. The most urgent issue to be investigated is the search for particular techniques supporting the analysis and designing managerial
functions in negotiations. Identifying the features and parameters of particular types of such functions also seems to be very useful and promising research matter as well as constructing the set of criteria and relevant indicators to measure the effectiveness of managers’ performance within negotiation processes in a company.

References


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