

# NEGOTIATIONS

## Introduction

**Negotiation** is a dialogue between two or more people or parties intended to reach a beneficial outcome over one or more issues where a conflict exists with respect to at least one of these issues. Negotiation is an interaction and process between entities who aspire to agree on matters of mutual interest, while optimizing their individual utilities. This beneficial outcome can be for all of the parties involved, or just for one or some of them. Negotiators need to understand the negotiation process and other negotiators to increase their chances to close deals, avoid conflicts, establishing relationship with other parties and gain profit and maximize mutual gains.

It is aimed to resolve points of difference, to gain advantage for an individual or collective, or to craft outcomes to satisfy various interests. Distributive negotiations, or compromise, is conducted by putting forward a position and making concessions to achieve an agreement. The degree to which the negotiating parties trust each other to implement the negotiated solution is a major factor in determining whether negotiations are successful.

People negotiate daily, often without considering it a negotiation. Negotiation occurs in organizations, including businesses, non-profits, and within and between governments as well as in sales and legal proceedings, and in personal situations such as marriage, divorce, parenting, etc. Professional negotiators are often specialized, such as union negotiators, leverage buyout negotiators, peace negotiator, or hostage negotiators. They may also work under other titles, such as diplomats, legislators, or brokers. There is also negotiation conducted by algorithms or machines known as autonomous negotiation. For automation, the negotiation participants and process have to be modelled correctly.

## **SEVEN ELEMENTS OF EFFECTIVE NEGOTIATIONS**

### **1. RELATIONSHIP:**

#### **AM I PREPARED TO DEAL WITH THE RELATIONSHIP?**

- a) A good negotiating relationship is needed to address differences and conflicts.
- b) Separate people issues from substantive issues.

- c) Plan and prepare to build and maintain a good working relationship.
- d) Be respectful, trustworthy and unconditional constructive.

## **2. COMMUNICATION: AM I READY TO LISTEN AND TALK EFFECTIVELY? CREATING A LEARNING CONVERSATION**

- a) Core Skills – Basic Communication Skills in Negotiation.
  - i. Active listening – To do active listening, we must overcome some of our tendencies and habits that interfere with good listening.
  - ii. Acknowledging what has been said and felt – Have you effectively demonstrated to the other negotiators that you have heard and UNDERSTOOD what they have said? Use paraphrasing and summarizing.
  - iii. Listen to understand, speak to be understood – Have you thought about ways to communicate with the other party by using words (and at the right time) in a way that they will understand?
  - iv. Speak about yourself, not them – Have you let them know what are the crucial issues for you and your community and how you feel about the problem at hand? Use “I” statements.

- v. Speak for a purpose – Have you thought through the timing and impact of what you wish to say? Be clear and concise.

## **b) Core Skills – Communications to Gather Knowledge and Learn About Their Interests**

### **i. Clarifying and Probing Skills**

- Have you thought about basic questions for clarification (including empathetic questions) you might ask to draw out the interests from the other negotiators? E.g. can you explain...?
- Could you use consequential questions to draw out the other side? E.g. what would you need to...?

### **ii. Integrative Framing Skills**

- Paraphrasing – Have you given feedback in your own words or what you understand the key concerns and interests on the other side to be?
- Summarizing – Can you accurately draw together the main points of the discussion up to that point in time?

## **3. INTERESTS: WHAT DO PEOPLE REALLY WANT?**

- a) Collectively identify and articulate the interests, concerns, and needs of all relevant parties (mine, yours, theirs). Remember: most parties do not know

all their interests or necessarily agree on their interests.

- b) Identify and prioritize community interests together. Get on the same page.
- c) Probe for your and their unarticulated or underlying interests.
- d) Share and clarify the respective interests of the parties. Move beyond speculation about to acknowledgement of their interests.
- e) Identify and share common interests as a basis to develop options.
- f) Interests from the agenda.

#### **4. OPTIONS: WHAT ARE THE POSSIBLE AGREEMENTS OR BITS OF AN AGREEMENT?**

- a) Design options, not positions.
- b) Create options to meet interests of both parties.
- c) Remember when designing options they also must transparently meet their interests. Find ways to maximize joint gains for both.

## **5. ALTERNATIVES: WHAT WILL I DO IF WE DO NOT AGREE?**

- a) Do we need to negotiate or can we satisfactorily meet our interests in other ways?
- b) Identify and articulate our best/doable alternatives to a negotiated agreement.
- c) Fully understand the implication, consequences, risks and costs of your and their BATNA.
- d) Select and improve our BATNA
- e) Identify the best and worst alternatives open to the other side.
- f) How can we make their BATNA worse for them?  
(i.e. keep them at the table)

## **6. LEGITIMACY: WHAT CRITERIA WILL I USE TO PERSUADE EACH OF US THAT WE ARE NOT BEING RIPPED OFF?**

- a) Fairness is a governing consideration.
- b) Use external criteria and objective standards as a basis to legitimize your preferred options and as a shield against unreasonable proposals from the other side.

- c) Use demonstrable “fairness” of the process and outcome to persuade them of the merits of a proposal.
- d) Offer their negotiator an attractive way to explain his decision to his principals (see number 8).

## **7. COMMITMENT: WHAT COMMITMENTS SHOULD I SEEK OR MAKE?**

- a) Get commitments at the end not the beginning.
- b) Identify all of the implementation issues to be included in the agreement. No postargument surprises?
- c) Plan the timeframe and steps to implement the agreement.

## **CONCLUSION: WHAT IS A GOOD OUTCOME?**

- a) Meets interests.
- b) Demonstrably fair.
- c) Better than BATNA.
- d) Doable.