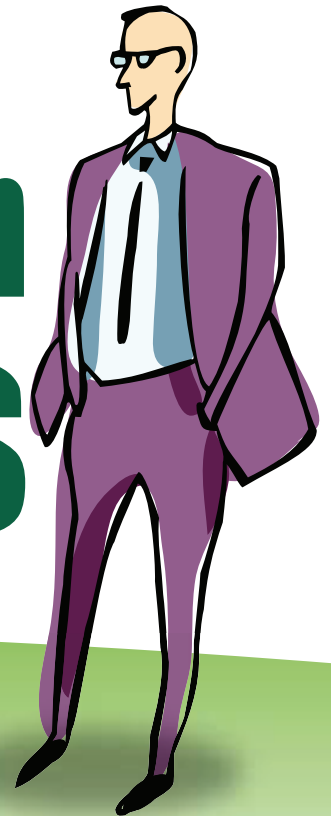




# Negotiation Skills

By Weelan Ho



## What is negotiation?

Negotiation is a basic means of achieving what you want from others in a manner that is mutually beneficial. It is a back and forth communication designed to reach an agreement when you and the other party have certain shared as well as certain opposing interests.

## Negotiation traps

Misconceptions about negotiation lead to people taking positions and therefore falling into the trap of being either a hard or a soft negotiator, or somewhere in between (see figure 1).

- A hard negotiator is often aggressive, wants to win, positions each situation as win-lose, with hard responses that exhaust him and others and ultimately harm the relationship.
- A soft negotiator tries to avoid conflict, concedes easily to reach an agreement quickly, often at his disadvantage.

## Taking a position and its consequences

Negotiation by position is when you take a stand which you believe serves your interests best

and subsequently lock yourself into the position irrespective of the other party's interests and concerns. Consequently:

- The more you clarify the position, the more you defend it and the more you become committed to it.
- It becomes harder to change your opening position.
- Your ego becomes identified with the position – it becomes a “face” issue.
- This further complicates matter. You now have a new interest in “saving face” – in reconciling future actions with your past positions.
- The agreement may not be objective based.

Negotiation techniques are based on preparation, discussions, propositions, and bargaining. You give in some, I give in some. Often the hard negotiator wins.

## An alternative approach – negotiation by merit

Taking positions often lead to a win-lose

situation. A more constructive and rational approach is to look beyond position and to focus on interests. This is negotiation by merits, as first proposed by Roger Fisher and William Ury. The negotiated agreement is based on mutual interests supported with facts, objective criteria and rationales. It is a form of collaborative problem solving satisfying each party's interests based on their underlying needs.

Negotiation takes place at two levels:

1. The substance
2. The procedure dealing with the substance

#### For example

The first level is concerned with the content, the objective substance such as salary, lease, the price to pay, etc. The second level is concerned with how you will negotiate the substance, i.e. the procedure dealing with the substance – the way you handle the negotiation and thus the relationship.

#### Negotiation by merit – the four elements

The four elements defining a negotiation are people, interests, options and criteria.

#### Separate the people from the problem

**Do not try to solve people problems with substantive concessions.** People problems can be problems dealing with perception, emotion or communication. Deal directly with problem but do **not** resolve it through substantial concessions. Therefore:

1. Where perceptions are inaccurate, look for ways to educate
2. If emotions run high, find ways to enable each person let off steam to defuse the situation

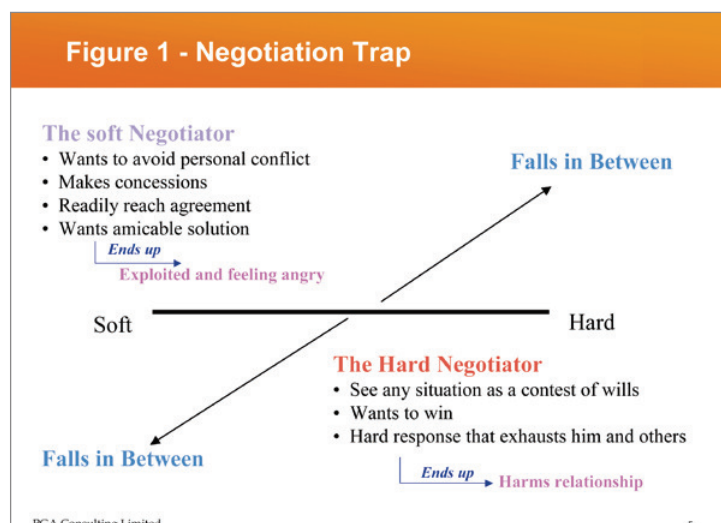
3. Where misunderstandings exist, work to improve communication

In negotiation, we must deal not only with the other party's people problems, but also our own. We can be our biggest barrier to success. Our anger and frustrations sometimes work to obstruct an agreement that is beneficial to both parties.

Prevention works best. The best time to handle people problems is before they become people problems. This means building a personal relationship and an organizational relationship with the other party. The best working relationships are built on trust. Face the problem, not the people. You are **partners working side by side** towards an agreement. You are not adversaries. The basic approach to separating people from the problem is to deal with people as human beings, according them with the respect expected, and to then treat problem on its merits.

#### Focus on interests, not positions

**Interests define the problem.** For every possible interest there are usually several possible solutions that can satisfy each



particular interest. Too often, people opt for the obvious solution. It is important to find out the underlying needs and motivation by asking “why”, and to ask “why not” to understand the reasons behind the argument.

It is imperative to recognize that each negotiator may have multiple interests which needed to be taken into account – these include his own interests, and those of his direct boss, subordinates, organization, and so on.

In negotiation, make a list of the other party’s interests. Write them down so that you remember them. Furthermore, this may stimulate ideas on how best to meet these different interests.

### Invent options for mutual gain

**Expand the pie before dividing it – find creative solutions that are advantageous to both parties.** Don’t be limited by your own mindset. Brainstorming is a good way to invent options. It is beneficial to have joint problem solving approach to generate trust, to help each party understand each another, and to create a better buy-in as both sides are parties to the solution.

Four major obstacles that inhibit the inventing of options in a negotiation are:

1. Making a premature judgement – exhibiting bias, prejudice, and a “no or this cannot be done” mentality.
2. Searching for a single answer.
3. Assuming there is a fixed pie.
4. Thinking that solving the issue is the other party’s problem.

In inventing options, it important to:

- Separate the act of inventing options from the act of judging them, i.e. suspend judgement while inventing options.

- Broaden the options rather than looking for a single answer.
- Search for mutual gains.

Stressing your shared interests can make negotiation smoother and more amicable. Developing solutions that are based on precedents or objective criteria and standards makes it easier for both parties to accept them.

### Insist on using objective criteria

**Establish fair standards that are legitimate and practical, and that are independent of will and bias.** You can have fair standards for substantive issues, and fair procedures for resolving conflicts (i.e. handling relationships). Three steps to establishing objective criteria and standards are:

1. Frame each issue as a joint search for objective criteria to derive a consensus on the rationale and principles of what is fair.
2. Discuss, reason, and be open to reason and discussions as to which objective criteria or standards are the most appropriate and how they apply.
3. Yield to principles, not pressure.

With objective criteria supported by principles, negotiations are more rational, particularly when we separate any people problems from the issue concerned. The process also becomes richer because it allows for flexibility based on interests and encourages creative options that are mutually beneficial – a win-win situation based not on position but on mutual interests.

### T/D

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