



# Unit 3

## The Negotiation Process

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Develop strategies for dealing with tough or unfair tactics.
- ✓ Gain skill in developing alternatives and recognizing options.
- ✓ Understand basic negotiation principles, including BATNA, WATNA, WAP, and the ZOPA.

## Unit 3

### Making the Right Impression

#### First Impressions

First impressions are quickly formed and they last a long time. Although you may think you'd like to march to the beat of your own drum and you don't need to follow any kind of standard when it comes to the way you dress, think again. While you may think that you don't have to iron your clothes, or that you can get away with not polishing your shoes, or that you can wear sneakers with your business suit, we're here to challenge your thinking.

People who are well respected, are highly trusted, and most likely to be promoted care about how they look. You shouldn't give in to temptation to dress with trends (since sometimes they are simply a mistake), and you don't need to wear clothes that hide who you are. You can dress conservatively and accessorize tastefully if you want to show that you are unique or have flair. Just do so while thinking about how people in your industry look when they achieve success.

#### Do You Look Approachable?

Keep it understated. While someone in a design firm is likely to dress differently than someone in a law firm, both share something in common: if you stray far from what's considered the norm, you can be viewed as disrespectful and even as holding your employer in contempt. That won't do much for your career. Think about making a statement that is professional and that says you want to be taken seriously for the work that you do.

#### What Your Appearance Says

Although it may take an investment of your time and effort, learn to look after your things. Iron like a pro and get rid of that slightly rumpled, still in college look. Replace it with an image that is crisp and professional. Find a tailor and have your trousers or skirts properly hemmed. (You're spending good money on clothes, so respect yourself and present yourself well.) Replace buttons when needed. Last but not least, make sure that you are cleaning clothes according to the instructions on the label.

What does your appearance say?

# The Handshake

## The Five Factors

During the important first few minutes of a new relationship, a handshake is usually the only physical contact between two people. It can communicate warmth, a genuine concern for the other person, and an image of either strength or gentleness. It can also communicate indifference and weakness. A professional handshake is perhaps one of the most valuable business skills you can cultivate.

The message you communicate with your handshake is determined by five factors:

### **Degree of Firmness**

Your grip should be firm, rather than weak. However, you don't want your handshake to be painful to the other person. Consideration is appreciated. Be especially considerate if you are shaking hands with someone in a receiving line who has many more hands to shake, someone who is wearing a lot of rings, or someone who is obviously elderly and perhaps fragile.

### **Dryness of Hand**

We all prefer to shake a hand that is dry. While you typically don't want to obviously dry your hands before greeting someone, this is perfectly acceptable if you have been holding a cold glass. Similarly, if you are at the buffet table and have been eating, it is expected that you will wipe your hand on your napkin before extending it to be shaken.

### **Depth of Grip**

A handshake is palm to palm. Generally you will place your hand so that the web between your thumb and forefinger meets the web of the other person's hand, briefly. Your hand remains perpendicular. If your palm is facing up, this may be construed as a sign of submissiveness. Similarly, if your palm is on top, it can be seen as a sign of aggression.

### **Duration of Grip**

The perfect handshake is about three seconds. You can gently pump once or twice, but this is not necessary. Then pull back your hand, even if you are still talking.

### **Eye Contact**

While this will vary from culture to culture, in North America we expect the person shaking our hand to make eye contact with us as a sign of respect.

## Other Points

### **Stick with a Single-Handed Handshake**

If you use two hands in your usual handshake (enveloping the other person's hand with both of yours) it may signal warmth and affection. However, it can also seem too familiar for an introductory handshake. Save this handshake for a meeting with an old friend.

### **Prepare Your Introduction**

To master the whole introduction process, make sure you have something to say as you shake hands. You don't have to be witty; you can even use the old standard, "Pleased to meet you." These few words can set the stage for small talk that is often at the beginning of a new business relationship.

### **Note about Other Cultures**

Shaking hands in some cultures is not a customary greeting. For example, many Orthodox Jewish men and women do not touch members of the opposite sex, nor do non-Jewish members of the same sex. Traditionally, Muslim women are not permitted to shake hands with men outside of their immediate family and should not be pressured by us to extend their hand. These rules are general, however, and can vary from person to person.

If you meet someone and are not sure about their custom, you have a couple of polite options. You can wait until they extend their hand first. Or, you can lightly clasp your own hands in front of you or place your hand on your chest as you say, "Pleased to meet you."

Remember that part of demonstrating proper etiquette is to give a professional impression and to manage encounters to the best of your ability.

## Dress for Success

Not long ago, everyone from the most seasoned professionals to entry-level employees had a common understanding of appropriate business attire. Now we range from business dress to business casual, and some companies (or individuals) wear whatever they want. Dressing for negotiations can be particularly difficult.

### Do Your Research

Find out what the dress code is for the other party's organization and what they typically wear. Don't dress exactly like them, but try to match the standard. Don't try to out-dress them – flashy clothing will take the focus away from your message.

### What Does Your Appearance Say?

Let's say you work for a non-profit organization and you meet with the mayor to negotiate how much money your organization will get in the next budget. If you wear a \$3,000 suit, that probably won't convey a good impression. Be aware of the message your appearance is sending.

## Consider Your Work Environment

It's usually safe to choose to select clothes that fall within business casual style. That means no ties and business suits are not necessary, although dress pants and jackets may be appropriate for men and women. What you wear to the meeting is a sign of professional respect, and you can save the jeans for a time when you'll be in the office all day.

## Tips for Women

If your company's idea of business casual isn't quite jeans and sweaters, dress pants and blouses or sweaters (with or without a jacket) are the answer. They can be dressed up or down and always look sharp. Choose a dark, natural shade like black, navy, brown, or grey, and opt for pants with a bootleg cut. Pair them with a light sweater, and you'll be ready to go from your desk to a client meeting without a second thought. Jewelry, scarves, and other accessories will add a polished touch to any outfit. Remember: less is more.

## Tips for Men

A sport coat instantly creates a pulled together look, especially in a business casual environment. It's also an ideal choice for client meetings or presentations. Pair up a black, navy blue, or dark grey blazer with khakis or dark wool pants.

In addition to traditional dress slacks, khakis, Dockers, corduroys, wool flannel, and linen slacks are also appropriate for the office, either with or without a blazer.

Casual button-down oxford shirts are a great alternative to dress shirts, with or without a tie. Skip the loud prints and reserve plaids for more casual times. Basic white, chambray, or pinstripes are the safest best.

## Footwear Tips

Shoes need to be in good repair and clean. Don't wear your weekend or gym sneakers even on casual days. Make sure that you have a polishing kit and that you know how to look after your shoes to keep them looking like new. People notice your footwear. You can lessen your credibility significantly by wearing a nice outfit and a scruffy pair of shoes.

## Keep Your Glasses Clean

Long-time glasses wearers have a gift for being able to look through a pair of smudged or dirty lenses, but your negotiating partners, colleagues, and managers will notice that layer of grime. Keep a microfiber cloth handy to keep your glasses clean.

## The Skill of Making Small Talk

Small talk has a bad reputation. Sometimes we think of it as the poor cousin of a “real” conversation, and in certain cultures it is not valued at all. However, without small talk, many of us will never get to those “real” conversations. Small talk helps us put others at ease and make them comfortable. Small talk breaks the ice and goes a long way toward furthering a relationship.

The ability to make small talk is crucial to getting a negotiation off to a good start. It can also help us build business, develop our networking skills, make friends, maintain relationships, and even find us jobs.

For most of us, it’s harder to talk to people we don’t know. Why? What happens? For one thing, we’ve heard so much about only having a few seconds to make a good impression that many of us stay silent for fear of being judged. However, we are still being judged when we are silent, so we may as well speak up.

Conversations are much easier to start if you are a multi-topic person. Try to stay abreast of current events and to replenish your conversational larder as often as you do your refrigerator.

Where can you get some good conversational openers? Some places include: the newspaper, the Internet, the television, the radio, your next door neighbor, the guy at the next desk at work, in the elevator, and at the corner store. Listen to what people are talking about.

### What Works?

- As important as what you say is how you say it. Wear a smile. It is always becoming to your voice.
- If you find yourself alone, look for others who look similarly disengaged or join a group with an odd number of people. You could also pass the cheese tray or sample the buffet table.
- One tip that often works is to imagine you are the host or hostess. Now you will be less worried about yourself and more concerned about other people.

### What Doesn’t Work?

- Don’t attempt to make a derogatory remark under the guise of humor (that’s sarcasm).
- Don’t try to shock. Some people are hard to shock anyway, and others may be shocked in a very negative way, so it just isn’t worth the risk.
- Lengthy emotional debates will not contribute to the gathering. Death, politics, religion, illness, and children usually head the list of subjects to be avoided. There are, of course, exceptions to every rule, such as when you must express your condolences to someone when someone has been ill, or have somebody they care for that is ill.

## Getting Off to a Good Start

### Common Ground

The ultimate goal of negotiation is to reach an agreement. If you can start the negotiation process off with a discussion about something that you agree about – even if it’s just the weather – your negotiations will likely be much more productive.

Some other examples:

- If you are involved in labor negotiations for a workplace, there are often people on both sides of the table who work for the company. The common ground is maintaining the viability and integrity of a company. A functioning company needs people to work, and those people need to be paid.
- In the case of a divorce, common ground can be a shared property that must be divided or protecting the interests of children of the relationship.
- In environmental or peace issues, common ground might be the fact that all of that parties live and work within the community and are, therefore, interested in looking after the places where they live.

### Ground Rules

Another good way to establish common ground is to set out some ground rules for the negotiation. This is also known as **meta-negotiation**, or negotiating about how you will negotiate.

**List some examples of ground rules here.**

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## Exchanging Information

As soon as the preliminaries are over, you can begin the negotiation. Take turns outlining your positions. If you've identified a zone of possible agreement (ZOPA) that gives a solution that you're happy with, outline that as well.

Although this process looks simple in black and white, you may encounter challenges even at this stage, so you'll need to be prepared for that.

### Making Connections

Come up with solutions for each of these situations.

**The other party appears to have made up their mind.**

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**The other party is in a bad mood.**

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**The other party keeps interrupting you.**

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**The other party becomes emotional.**

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**The other party keeps using words you don't understand.**

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**The other party is using unfriendly words.**

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**The other party's body language appears unfriendly.**

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## The Bargaining Stage

### Six Techniques for Success

During this session, we're going to discuss some techniques that you can use to help you relay information and bargain. Remember that you must be yourself and be natural when negotiating – otherwise, the process just won't work. To make this work, adapt these techniques to your style and make them work for you.

#### Equalization

This is one technique that you must use constantly during the negotiation process. For every point the other party brings up, you must bring up an equally strong point. You can do this in a few ways.

Let's say that you're negotiating with your boss for a raise. He points out that your last raise was only ten months ago, and most employees only have a salary review every 18 months. What are your options?

- You can disprove him: "I have the company policy here, and it states that salary reviews must take place every 10-20 months."

- You can differentiate yourself from those other employees: “I’ve changed positions twice since then within the company.”
- You can bring out your supporting facts: “Other managers at my level have received salary reviews every six months.”
- You can make his comment irrelevant: “I’m at the management level, which means I’m not part of the union and you can negotiate with me directly.”

## Building a Case

Since you’ve put so much hard work into preparing your facts, you should have solid information to back up your point.



You’ll reveal these supporting points, slowly, one at a time, particularly if your bargaining session takes place over several meetings. Make sure you sandwich weak points between strong ones; you want to start and end on a high note.

## It’s Too Bad...

This is a great technique to use when the major points have been settled but a few minor points remain. Let’s say that your boss has given you the raise but you still need to work out your schedule and vacation time. You can say, “I’m really glad we’ve resolved the salary issue. It’s too bad that we can’t settle this scheduling problem and get this whole thing wrapped up.” This establishes common ground and sets the stage for additional negotiating.

## Wear Them Down

This is a good technique to use when your position and the other party's position seem very far apart and it looks like no resolution is possible.

Let's say that you've found your dream home, but your budget is \$250,000. The asking price is \$500,000. At the first meeting, you reveal that assessments have dropped sharply in the past year – the assessed value is \$300,000. They drop their price to \$350,000. At the next meeting, you explain that \$50,000 worth of landscaping and repairs will need to be done. That brings the price down to \$300,000. At the third meeting, you provide a report from an environmental company that states it will cost \$10,000 to clean up a furnace oil spill. The sellers are quite anxious to sell, and they're tired of all of these meetings, so they reduce their asking price to \$275,000. It's still not quite in your budget, but much more reasonable than their original offer!

## Mix It Up

With this method, you provide a variety of information and jump around between topics, without resolving any of them. Essentially, you're trying to confuse the other party.

## Bridge the Gap

Once again, common ground can help you bargain for what you want. Let's continue with our house buying example. You could say, "It really is tough trying to sell your house, isn't it? Man, I've got mine on the market right now so I can buy your property, and it's a nightmare!" The sellers will likely agree with you, establishing sympathy, empathy, trust, and common ground.

## Role Play

### Role A

You are the manager of a 20-person unit in the special events department of a large organization.

Recently the General Manager decided that current Christmas holiday arrangements for staff did not provide satisfactory coverage for the organization during this peak special event period. He therefore informed the management team that nobody would be allowed to take more than four days off at a time over the period of December 15 to January 6.

You and your fellow managers weren't very happy about this decision. There had been no consultation with staff and very little notice was given. Your views, backed up by those of your boss, have won a grudging concession. A few exceptions will be allowed this year in the cases of particular hardship or merit, at the discretion of the individual unit managers. The General Manager has asked for a note giving the reasons why an exception has been made in each case. There will be no exceptions next year. This decision has been communicated to the workforce.

One of your most reliable employees has now asked to speak to you about holiday allocations, accompanied by a

request for seven days off (from December 26 to January 2). This person has been with the organization for six years. They have key skills that are only covered by two other people in your unit: Julie Smith and Hamish Ferguson. While it is not absolutely essential to have more than one of these three at work at the same time, you would much prefer that their days off did not overlap.

Yesterday you received holiday requests from Hamish and Julie. Hamish wants December 23 to 26 off and Julie wants December 29 to January 1 off.

The person who has asked to speak with you put in a great deal of extra work this fall when the organization had an unexpectedly high workload. Without this individual's help, you doubt if events could have gone as smoothly as they did.

Some additional Information:

- You have checked the overtime records and discovered that the employee who wants seven days off worked far more overtime when you had the overload of work than either Hamish or Julie. The figures confirm that you could not have carried off the events without that individual's help.
- Though you have not spoken directly to Hamish, you understand that he never goes away from home at this time of year, preferring to spend time with his family and friends who are all in the local area.

## Role B

You work in a unit of 20 people in the special events department of a large organization. You have been with the organization six years, and you have key skills shared by only two other people: Julie Smith and Hamish Ferguson.

Today there has been a directive from the General Manager that in the future no one will be allowed to take more than four days at any one time over the busy holiday period, December 15 to January 6. For this year only there will be a very limited number of exceptions made to this rule, but only on the most pressing grounds. You intend to try for one of these, and as the decision rests with the unit manager, you have asked to talk with your manager about your holidays.

You have good reason for wanting seven days, and you are consequently annoyed about this rather high-handed decision. Your widowed father lives with his sister on the opposite coast and seven days is just barely long enough for a brief visit with him. You haven't seen him in two years, so you believe you have a legitimate case.

As well, you have already booked and paid for your flight. It is a very cheap charter and you can't get your money back if you cancel now. You booked it before you put in your holiday request. You knew you shouldn't have done this but the price was too good to resist and you had to make a decision on the spot. This happened a few days ago and you haven't gotten around to putting your request in until now.

Obviously this decision that the General Manager has taken is a blow, but the concession about exceptions seems to offer you a way out. You intend to be away December 26 to January 2, inclusive.

A few months ago, the unit had an unexpectedly heavy workload, and you worked a lot of overtime. In fact,

though the money was welcome, it put a real strain on your social life. But you didn't complain once you saw that the organization and your manager were in a hole and needed your help. You think the commitment you showed then must have built up your credit and you intend to call that in now.

## Reaching Mutual Gain

### Getting Rid of Obstacles

We often think about negotiating as a difficult task, where one party will come out the victor and someone else will lose, but it's not always that way. If you negotiate the price of your new car, you do so to get the most value for your money. The seller wants to get the most money they can. In the end, you get the car at the price you can afford, and they make a sale.

Other cases are more difficult to see as having value for both sides, like deciding who gets the house in a divorce. We may look at those cases as having a winner and a loser, but a good negotiator who is doing a thorough job should be able to create situations where both parties benefit, especially where both parties are willing to negotiate, rather than working with a fixed position in mind.

The willingness to consider other options is essential in negotiating a wise agreement. Instead of the negotiators having one or two options, there is a lot of value in considering other points of view, and entertaining multiple options before finding the one that will really work. Negotiators rarely acknowledge the value in having multiple options to consider, and may leave money or options on the table unexplored. This kind of outdated thinking does not lead to the best possible agreement, nor does it lead to the potential for future negotiations between the same parties.

In their book *Getting to Yes: Negotiating Agreement Without Giving In*, Roger Fisher, William Ury, and Bruce Patton describe four central obstacles that stop the exploration of multiple options:

- Premature judgment
- Searching for a single outcome
- The fixed pie
- Thinking that the other party is responsible for solving their own problem

#### Premature Judgment

Going into a complex negotiation with your mind made up means that you might miss something that could be ideal, if it is given some consideration. Having your mind made up will interfere with imagination, creativity, and real problem solving. Be open to ideas and do some brainstorming with colleagues or your committee beforehand. While this kind of creative exercise may not feel natural to you, it does reflect the need for great ideas to be a springboard for conversation and the perpetuation of the business (or whatever it is that you are negotiating).

## Searching For the Single Outcome

Human nature makes us critical, and if we become cynical about negotiation, we may just want to get in and out of the meeting as quickly as we can. By searching or aiming for just one best answer, you exclude every other possibility. You might leave better answers outside of consideration.

Give consideration to other approaches (such as brainstorming, formal problem solving, and negotiating in a pleasant location) to open people's minds, including the other party. If that's not possible, you could also solicit the advice of experts in the area.

For example, there is plenty of discussion in schools about providing healthy lunches. If we eliminate junk food machines and options on the school ground, do students leave the grounds to look for unhealthy options within their neighborhood? If so, how do we respond as a community? Consultation with nutritionists, social workers, the business community, students, parents, and teachers can all result in feasible, healthy, and manageable solutions.

## The Fixed Pie

A third problem with creative solutions lies with a fixed pie. This is the assumption that the more I get from a deal, the less there is for you. This is rarely true, since both sides could clearly be worse off than they are now, but the idea of it still interferes with negotiation.

Consider that there is shared interest in negotiating (otherwise the two parties would not be speaking to each other), and at the same time is the potential for shared gain. If we operate together, what is the potential for future growth or benefit for both parties?

If I want to negotiate the price of my car, and wish to pay less, but you are able to upsell me on the paint and rust protection in addition to an extended warranty, we both benefit.

## Solving Their Problem is Their Problem

Another truth of human nature is that we are usually only concerned with our own problems, and we want the other party to solve their own problems. However, to really achieve that agreement, the negotiator has to appeal to the other party. If the negotiator(s) get tunnel vision, the result is only going to appeal to one side. That can lead to an agreement that comes unraveled, or in the case of collective bargaining, does not get ratified by the membership.

## Overcoming the Obstacles

Roger Fisher, William Ury, and Bruce Patton also provide us with some solutions to overcoming challenges and reaching agreements that respect the idea of mutual gain.

## Make Their Decision Easy

Getting what you seek out of an agreement can only come from the other side making a decision in your favor. The easier you make that decision for them, the less strain the negotiation is going to be. Create a business case that looks at all angles of a decision so they do not have to go searching for drawbacks. Put yourself in their shoes, and create something that they cannot find argument with.

## Whose Shoes?

Think wisely about who you are negotiating with. Instead of taking on the entire insurance company, for example, you can negotiate with a single analyst. No matter how complicated or rigid their processes seem to be, you will develop a good level of understanding if you think about it from the perspective of the individual that you are dealing with, rather than the company or industry as a whole.

## What Decision?

As a negotiator, you are usually looking for an agreement. Sometimes, all you get is a commitment to think about an agreement. Drafting out the wording for different agreements that are acceptable to you as you go through the negotiation can be a helpful way to move toward the agreement itself. This practice adds clarity to your thinking and can help both parties stay focused on the real problems rather than symptoms of a problem.

In some negotiations, the presence of a precedent can be helpful. Make sure you are aware of any precedents, especially if they have been implemented by the other party in a similar situation. This makes it easier for them to agree with you, and helps them to maintain consistency (if that's important to them). It also demonstrates that you have done your homework and are trying to understand their point of view.

## Identify Shared Interests

We mentioned earlier that there is value in helping the other side to solve their problems. When you openly identify shared interests, you are helping the other side solve their problems as well as solving your own. You're in a negotiation because you share an interest already. Don't expect that you will come out as the victor in the negotiation. By openly identifying your shared interests, you're more likely to develop an agreement that both sides want to implement.

Shared interests may not be immediately apparent. Ask yourself what comes out of furthering a relationship with the other party. A better relationship? More business? You'll have to make something of the shared interest in the negotiation, so make it clear. In addition, stressing those shared interests as you negotiate helps to keep them in focus.

## Moving Beyond “No”

### Getting Past No

Negotiation expert William Ury has six strategies for getting someone past saying “no” – and encouraging them through the process to “yes.”

Grab a better view.

Step outside of the negotiation and imagine that you are a spectator. This will help you to separate people from the problem, as we discussed before, and to look at the bigger picture or consider things from the other party’s point of view. It can help you detach from your emotions, and to consider new alternatives as you evaluate your progress.

Change sides.

Temporarily consider the negotiation from the other party’s point of view. What do they see as their own strengths and weaknesses? What would they think your strengths and weaknesses are? How can you use this shift in your perception to amend your approach and move closer to an agreement you can both benefit from?

Invite them over.

Invite the other party to consider the issues from your point of view. Another useful approach is to ask them to consider it from a third party point of view, such as a lawyer, member of the public, or your spouse. Get people thinking in different ways by asking what they would do in your situation, and encourage them to think of all options.

Don’t play games.

As we said before, one desired outcome of negotiation is to lay the groundwork for future, mutually beneficial negotiations. Don’t sink to playing games as you negotiate. Don’t belittle the other side or use snide comments (such as “I told you so!”) if you get something they don’t, or if they make a change to their position. You are trying to build relationships and look for things in common, not distance yourself.

Make it difficult to say “no.”

Explain your point of view clearly, politely, and with a goal of maintaining that relationship. Demonstrate your facts and figures in order to educate them (without being patronizing, of course), and remember to equalize their points with yours.

Share your BATNA or ZOPA if they are strong enough to support and further your interests. You can also describe your WATNA to remind everyone of the consequences and cost of failing to reach an agreement.

Use strong questions.

Negotiators need to be very capable communicators. Prepare questions that are emotionally neutral (as opposed to emotionally loaded) and non-judgmental. Encourage an openness and transparent negotiation by asking open questions.

## Breaking the Impasse

On the journey road from No to Yes, it's possible that you'll reach one (if not several) impasses, where one or both of you are digging in your heels and you're not making progress.



When you feel an impasse looming or notice that you are in the midst of one, take a break so that you both have time to regroup and re-energize. Then, try the following strategies.

Identify hidden interests.

Often a negotiator tries to avoid saying too much in case they reveal something they'd rather keep to themselves. Your job, when it comes to an impasse, is to see what they are holding on to. In the case where you are trying to negotiate a mid-year raise with your boss, perhaps there is something that he wants (like someone to volunteer to lead a project) but he is not willing to ask because it might weaken his position. If you know about the project and indicate that you are willing to take the lead, you are focusing on mutual interests, rather than positions.

Manage unrealistic expectations.

While you may enter negotiation to bridge a gap that is enormous, you'll have to be on the same plateau in order to reach a reasonable agreement. If your goal is to achieve a 10% raise when 2% is the norm in the industry and the company is on the verge of a shutdown, you're not going to be successful.

Use brainstorming and problem solving.

Even if you don't feel like you are a particularly creative person, you can get those ideas flowing if you apply process to help generate ideas and look at a problem from different perspectives.

- Paraphrase the other side's position with statements such as, "Let me see if I understand what you are asking for. You said that..."
- Create a list that presents what's been discussed and post it for everyone to see (using a whiteboard, flipchart, or slide.).

Focus on areas of agreement.

Demonstrate the common ground you already have by listing areas that you already agree on. You can also agree to disagree on some items and park them while you move onto other issues.

## Getting to Yes

Of course, there are also some strategies for what to do once you break the impasse and get past “no.”

Avoid positional bargaining.

We talked about positional bargaining at the beginning of this course. Remember that although this style is easy, the technique calls for each side to take a position, argue, and make concessions. This traditional approach rarely results in mutually beneficial agreements.

Separate the person from the problem.

You’re not going to get very far if you make personal attacks on the other side. Remember that they have issues to contend with. If they are refusing to budge on their position, your response is to consider the problem rather than make it personal.

Focus on interests.

Remember that you can let go of a position by focusing on the interests of both parties. Don’t get distracted by the other party trying to raise an emotional response in you or resorting to pressure tactics and related negotiation tricks. This is where negotiators find it helpful to have the facts summarized with their WATNA, BATNA, ZOPA, main objective, and supporting points on a reference sheet.

Focus on mutual gain solutions.

Make your intentions clear. Let your actions show your commitment to negotiating a wise agreement.

# Dealing with Negative Emotions

## Defusing the Bomb

There are three natural and instinctive reactions to negative responses: we want to strike back, give in, or break off negotiations. No matter which response we choose, we don't get what we want from the process.

There are also some tough tactics people may try. Let's take a look at some common issues.

### Stonewalling

This is when one of the negotiation parties stops communicating. They may refuse to answer questions, engage with you, or cooperate.

What can you do when this happens?

- You can change your tactics or the topic at hand.
- You can ignore it and keep going.
- You can challenge them on it.

### Attacking

If the negotiation gets personal and the other person starts attacking you, there are a few strategies you can try. The most common technique is to ask for a time out. Or, you can ignore the attack and keep going. Another effective strategy is to reframe the statement and take the personal part out of it. Above all, keep your cool and stay focused.

### Dishonesty

Your opponent may also try to lie to you or to trick you in some way. Having your facts on hand will help you identify dishonesty. You may need to reschedule negotiations to check into what they're saying.

### Choosing Your Response

Most difficult tactics can be handled by:

- Challenging them
- Asking them some questions that can clarify or expose the deception
- Playing dumb and see what happens
- Making a request

Always know your personal hot buttons. When you are aware of them, you can control your emotions more effectively. Remember the results you are after.

Knowing how to defuse negative emotion can come in handy often, whether you are in the midst of negotiations or not. Here are some tips:

- It helps to use the other person's name.
- Listen and allow the other person to vent and get their feelings out.
- Don't interrupt. This is not only rude, but also a real turn-off. (If someone is venting, a good rule of thumb is not to interrupt until the other party starts repeating him/herself.)
- Try not to use red flag words like "but," "always," and, "never."
- Give them a token or early concession of something you consider less important to you, but may be important to the other party.
- Apologize for the situation, not your action. Agree with the other party using a sentence like, "From your perspective, you are absolutely right." Then they might be willing to see things from your perspective; the other side of the story.
- Point out where you agree more than you point out differences.
- Build their self-esteem. Give them sincere praise on what they do well.
- Prepare three questions for which they will have to say "yes."
- Make sure your words and your body language are consistent. Don't say, "Take your time giving me an answer," and then show signs of impatience.
- Use more "I" than "you" statements.
- People don't care what you know until they know that you care. Put yourself in their shoes.

## Role Play

Person A is the department supervisor. Person B represents the people in the department. Together, they must agree on a place to hold the annual department luncheon and what sort of luncheon it will be (buffet, brown-bag, or order-in).

## Moving from Bargaining to Closing

### Knowing When to Close

So how do you know when bargaining is over and it's time to move to the closing phase? Ask yourself, do you truly think the other party will say yes? If you're not sure, keep bargaining. You may want to summarize your last counter offer, or ask the other party for more details on their last offer.

Body language can be your biggest key. If your opponent has open body language (arms at their sides, not covering their face, looking at you, and leaning towards you) then this likely means they're receptive to your position. If their body language looks defensive (with arms and legs crossed, a hand on their face, and leaning away from you), keep reiterating your points until their posture becomes more open.

When the time is right, follow this simple procedure.



Let's say you're negotiating to buy a house. You feel that the seller is ready to close. You might say something like, "I'll call the bank to get the mortgage details finalized. Would you sign the offer papers on this line? I'm agreeing to purchase your property for \$100,000, and we've agreed that the transfer taxes will be paid by you."

Here, we are assuming action, suggesting an action, and summarizing the deal.

Don't ever beg, plead, bully, or give your opponent time to think the deal over. They will take advantage of that time, come back with a new position or a counter offer, and you'll be back to bargaining.

Also, don't raise additional questions or points during your closing procedure – this returns you to the bargaining process. (Of course, if it turns out that you're trying to close prematurely, this will be inevitable.)

## Formal vs. Informal Agreements

For simple negotiations, a verbal agreement is often all you need. You will, however, want to date and sign any notes that you took and any documentation you gathered and file them away for reference. It's also good to send a follow-up e-mail or even a letter outlining the terms of the negotiation and get a signed receipt depending on the seriousness of the situation.

For more complex negotiations, however, written documents will practically always be involved. If this is the case, here are some tips to make sure the closing process is fair to you.

- We strongly recommend that you use a lawyer. It's worth the investment.
- If possible, have your lawyer prepare the documents to be signed. If you are taking this route, make sure you have all the necessary paperwork with you when you go to the negotiation.
- Read the document over thoroughly, clause by clause. Ask about anything that is unclear to you.
- Ensure that you and the other party have signed, original copies of all documents. Keep your copies in a safe place.

## Solution Types

### Possible Outcomes

We often talk in terms of three possible outcomes to a negotiation.

#### Lose-Lose

This is the least favorable result, where both parties are unable to get their interests met. This can come from an approach of conflict avoidance, smoothing over, and/or compromise. It's conceivable that the agreement reached will not be enforceable (since no one got what they wanted or felt they needed), and that negotiation will have to be reinitiated, or the issues left unresolved.

Avoidance is an extreme form of non-attention. The negotiator(s) carry on as if there is no conflict, with the hope that any problems will simply go away over time. This can occur when a passive negotiator does not bring up their key issues in order to avoid conflict.

Smoothing is a technique to reduce differences between the negotiating parties, and highlights similarities and areas of agreement. While a recognition of common interests is the goal, smoothing may ignore the real interests that have prompted the negotiation in an effort to keep the meetings peaceful.

"Let's compromise" is a phrase frequently heard in a group setting. The classic example occurs whenever representatives of unions and management meet to prepare new labor contracts. Compromise occurs when accommodations are made such that each party to the conflict gives up something of value to the other. As a result, neither party gains its full desires, and conditions for future conflicts are established before this round of negotiation is even completed.

#### Win-Lose

In Win-Lose negotiations, one party achieves its desires at the expense and to the exclusion of the other party's desires. This may result from competition or as a result of authoritative command. Each of these strategies fails to address the root causes of the negotiation and tends to suppress the desires of at least one of the conflicting parties. As a result, future conflicts over the same issues are likely.

#### Win-Win

When we confront issues and use problem-solving techniques to work through differences, we are using Win-Win negotiations. This is a positive, action-based approach and the parties involved recognize a need to work on whatever is wrong. When outcomes are met after problem solving, the conflict has been resolved. There is no need for the conflict to be reopened or reexamined, because all of the relevant issues have been satisfactorily resolved.

One important principle to a win-win negotiation is that both parties are satisfied with the deal. This level of resolution helps to ensure that both parties will fulfill the agreement, since they both benefit from it.

## Building a Sustainable Agreement

### What is a Sustainable Agreement?

In this age of complex life and work arrangements, a sustainable agreement reflects the reality of the business. An agreement cannot be a rigid reflection of ineffective negotiations; rather, it must reflect the business and economic cycles, industries, and real issues that people face. It must also reflect the multiple aspects of the stakeholders who both provide input, and are affected by the results. An agreement cannot focus on one aspect of the business when the business impacts other industries, environments, communities, and cultures.

In developing a sustainable agreement, the parties must first of all ensure that the organizations that they negotiate on behalf of are interested in reaching an agreement. Partners must also ensure that negotiating organizations will enforce and take part in the terms of that agreement. If the agreement cannot stand on its own, and the parties who sign it refuse to use it, then it quickly becomes useless.

### Getting Everyone's Perspective

A sustainable agreement should incorporate feedback from all stakeholders. Although we will never always agree with other people, and although we can write an agreement much more quickly than we can negotiate the terms of one, an agreement is just that, an agreement.

Gathering perspective is something that can take place throughout the negotiation process. It begins in the research phase, where the negotiator considers the needs of the members of an organization in conjunction with the strategic vision and mission of the negotiation. This does not mean that everyone will get what they want in an agreement; rather, it means that all points of view are considered. There is no point in entering negotiations and reaching an agreement that ignores a section of stakeholders or inadvertently breaks the law. Gathering perspective can be a considerable undertaking, depending on the size and scope of the operation. This is one area where outside resources can be utilized (such as an outside firm conducting employee satisfaction surveys, for example).

### Reviewing the Information

Once the information is gathered, the negotiator will consider it with respect to any existing agreements, the needs expressed by the organization, and the limits of their authority in the negotiation process. Information must be reviewed objectively, and may be reviewed by several parties in order to ensure that the negotiators have analyzed the intent of the information correctly. Information that is gathered and reviewed can be shared with stakeholders in the exchange information phase of the negotiations, to allow for brainstorming or problem solving to be completed prior to bargaining.

## Outlining the Options

This is another important element of the negotiating process. It is not necessary for negotiators to play mind games with one another. Once one party has a clear understanding of the limitations or impacts of the terms of an agreement, it is efficient to outline options to the negotiating partners. Outlining options effectively can lead the group to think of situations where we can find consensus, which is what we are really looking for in negotiation. Once the negotiator has outlined the available options, it is also reasonable to start a period of brainstorming toward some of the out-of-the-box ideas that might not have been initially considered. Even though one party may think there are no other options available, a creative look at something can often present some kind of alternative that ultimately could be palatable to both parties.

When outlining options, we can sometimes find ourselves at the “agreement in principle” part of the process. Having an agreement in principle, however, is not the end of the process. The finer details must still be worked out. If the agreement in principle took considerable effort to achieve, this can be a good time for a celebration of the collaboration that has taken place up to this point.

## Getting Consensus

Before an agreement is signed, it is important to have consensus for agreement among the parties. Consensus can be difficult during tough negotiations; generally, the more stakeholders taking part in the process, the more difficult it is to reach consensus. Know that not all people will ever agree on all items, and that you are trying to negotiate the best terms you can. Persuasion, that ability to have people recognize the value in what we are saying, is an exceptionally valuable communication skill for a negotiator.

As mentioned previously, you will also have to secure the commitment to actually carry out the agreement. One way to do this is to ask the other party to summarize their understanding of the agreement, and to get it in writing. To clarify, it can help to ask them three questions:

- Please explain what we have agreed to.
- Do you agree with what we have agreed to?
- Are you committed to carry out the agreement? If not, what factors need to be clarified?

### Further Reading:

- ✓ McRae, Brad. *Negotiating and Influencing Skills: The Art of Creating and Claiming Value*. Sage Publications, 1997.
- ✓ —. *The Seven Strategies of Master Negotiators*. McGraw-Hill, 2002.
- ✓ Shell, Richard. *Bargaining For Advantage*. Penguin Paperbacks, 2006.
- ✓ Stone, Douglas, Bruce Patton, and Sheila Heen. *Difficult Conversations (10th Anniversary Edition)*. Penguin Books, 2010.