

Negotiations Where Everyone Wins

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The large number of books and workshops on negotiation attests to the growing popularity of the subject. Three major factors contribute to the increasing recognition of the importance of negotiation:

- (1) Negotiation “Stars,”
- (2) A shift in power, and
- (3) Negotiation as an alternative to conflict.

1. *Negotiation Stars.* High-powered negotiators are admired for making “mega deals” and have thrust the process and skill of negotiation into the limelight. People like Donald Trump—himself a successful negotiator—are making money by teaching and sharing their experiences with others.

2. *Shift in Power.* As organizational power has been shifting from dictatorial to democratic, more and more people have been seeing a need for effective negotiation skills. Consequently, negotiation courses, seminars, and workshops have sprung up for virtually every need, including those for buyers, sellers, managers, health professionals, school administrators, and women, as well as the more traditionally addressed courses for labor and international negotiators. Even computers are being used to effect more equitable conflict resolution.

3. *Alternative to Conflict.* Negotiation, in its broadest implication, is seen as an alternative to conflict and strife at interpersonal, organizational, and international levels. Because of the importance of negotiation—in some cases, a life-or-death matter—we should consider the meaning of “winning.”

Our former basis for defining winning, according to external standards set by a hedonistic, egocentric, highly impressionable society is being transformed. The new view of winning is based on internal standards which, while differing for each individual, are consistent in that they take into account moral and spiritual values and principles that affect all of humankind and the natural world. This article addresses the need to understand and practice negotiation skills. It defines negotiation, distinguishes it from other responses to conflict situation, and discusses the critical negotiation elements. The conclusion explores current trends and implications for Fruition (human resource development) professionals.

DEFINITION

Minimally, negotiation is a process by which two or more parties, each with its own goals and perspectives, coordinate areas of interest through concession and compromise to reach agreement and take jointly decided action about areas of common concern in a situation in which neither side has or wants to use complete power. Ideally, negotiation will produce a wise agreement and will improve—or, at least, not damage—the relationship of the parties.

To define negotiation properly, one needs to distinguish it from arbitration and mediation. *Arbitration* uses a third party to intervene. When the parties submit a dispute to an arbitrator,

they agree to comply with the arbitrator's decision. *Mediation* also uses a third party, but the mediator has no authority to make a binding decision. The mediator facilitates a decision by listening, guiding, suggesting, and persuading the parties. Although multilateral negotiation may require a third party, this article focuses on negotiation between two parties.

CRITICAL ELEMENTS

Six major elements are common to all negotiations: the approach and outcome, the issues at stake, the negotiators, their relationship, the communication process, and the context.

APPROACH AND OUTCOME

The outcomes of negotiation depend on the approach taken and the options that have been generated, considered, and synthesized in arriving at a final agreement. Four possible approaches are win-lose, lose-win, win-win, and mixed.

Win-Lose. Win-lose negotiation is characterized by each party's seeking its own advantage, usually to the detriment of the other party. This is the win-at-all-costs approach.

Lose-Win. A party may go into the negotiation with plans to yield to pressure. In the lose-win approach, one party seeks the acceptance of the other side regardless of the costs to itself. This is the peace-at-any-price approach.

Win-Win. Win-win negotiation is characterized by each party's seeking an agreement that provides joint gain. This is the everyone-a-winner approach.

Mixed. In a mixed approach, each party tries to be realistic. Both parties realize that usually one party wins more than does the other.

ISSUES

The issues include the interests that are at stake, the real or perceived conflicting positions that each negotiator takes, the best alternative to a negotiated agreement (BATNA), and the bottom line (the point at which the negotiator will walk away).

Interests and Positions. Each party enters the negotiation with the belief that its interest cannot be achieved without some cooperation from the other party. The negotiators take explicit positions, but their interests are often implicit. While the surface conflict in negotiation stems from the stated positions, a more serious conflict may stem from differences in interests. However, if interests are carefully discussed and explored, they may not be as far apart as the stated positions.

Needs. Essential human needs, such as security, affiliation, self-esteem, and recognition are at the base of all negotiation. Needs (that is, what is essential in the outcome) can be distinguished from wants (what is desirable but not necessary in the outcome). The combination of needs and wants contribute to the strategy and tactics that each negotiator uses.

Bottom Lines and Alternatives. Issues involve each party's bottom line (that is, its walk-away point). An alternative to a bottom line that saves the negotiator both from accepting unfavorable terms and from rejecting terms that would be beneficial is the BATNA. A way to discover a BATNA is to ask, "What will I do if I cannot get what I want?" For example, if purchasing a new personal computer is not possible, the alternative could be upgrading an old computer, leasing a new one, using someone else's, or delaying the purchase until a specified time. To arrive at the BATNA, one must identify one of the alternatives as being the best.

THE NEGOTIATORS

This section examines the negotiator profile—that is, the attributes that are necessary for a successful negotiator. These include personality, knowledge, mental and communication skills, and negotiation style.

Personality. Negotiators need moral and intellectual attributes. Necessary moral attributes include patience and self-restraint, objectivity, dedication or commitment, courage, honesty, integrity, perseverance, courtesy, and the ability to harmonize. Intellectual attributes include wisdom, a clear and analytical mind, creativity, general intelligence, and leadership ability. Also, high self-esteem supports a negotiator's sense of confidence and competence.

Knowledge and Skills. Natural abilities need to be supplemented by several skills, including an understanding of human behavior. The negotiator also needs knowledge in the areas that are being negotiated and the ability to identify the issues, to perceive power, and to prepare and plan strategy and tactics.

Also required are excellent communication skills in the areas of argument and persuasion. Important interpersonal skills include the ability to express strong feelings appropriately and rationally, to be assertive rather than aggressive, and to listen attentively and actively.

Style. Although negotiators' styles stem primarily from personality predilection, various styles can be learned and adapted to expand their repertoire. The style used depends a great deal on the approach a negotiator takes. For example, if the negotiator has a win-lose approach, he or she is likely to be confident, impatient, and/or competitive.

RELATIONSHIP

When two negotiators come together, they form a relationship that comprises power, duration, and relationship style.

Power

The power in the relationship is not constant. Both parties can increase power, and an increase on one side does not necessarily mean a decrease for the other party. The following power paradoxes have been seen in the negotiation relationship:

1. *Power is based on giving.* Providing the other party with benefits makes that party dependent on the one who is making the concessions, because a better deal may not be available outside this negotiation.
2. *To use power is to lose it.* Coercive action leads to reciprocal threats and/or compliance with resentment. If the “victim” holds a grudge, he or she may either “get back” or terminate the relationship. Neither of those actions is a favorable consequence for the negotiator who used the coercive tactics.
3. *The manipulation of power may have integrative effects.* If power is gained by giving, the other negotiator may reciprocate the giving or concession making, thus moving the negotiation toward a mutual, joint gain.
4. *An inferior power position can provide a tactical advantage.* If commitment to the negotiation is low, the more highly committed will yield to the lower committed, because there is more for the highly committed party to lose by walking away from the negotiation.

These paradoxes imply that short-term gains can lead to long-term losses. In fact, it has been suggested that an ongoing relationship should be the second most desirable outcome in a negotiation. The most desirable outcome is, of course, a substantive agreement.

Duration

Trust is a rich concept in practical negotiations: the longer the relationship, the more opportunity to build trust; and the higher the trust, the easier it is to negotiate openly, flexibly, and creatively. Fisher and Ury’s negotiation dictum, “Be hard on the problem, soft on the people,” points to the importance of the working relationship between the negotiators.

Style

The perception of trust and the perception of agreement are important dimensions of relationship style. Block (in Copeland, 1990) developed the following five styles from these two dimensions:

1. *High Agreement, High Trust.* With these two dimensions, the negotiating parties are *allies*. They will find it most effective to affirm the agreement and the quality of the relationship, to acknowledge any doubts, and to consult each other for advice and support.
2. *High Agreement, Low Trust.* In this case the parties are *bedfellows*. They find it most effective to reaffirm the agreement, to determine what each party wants, to acknowledge cautiousness, and to establish procedures for working together.
3. *Low Agreement, Low Trust.* These parties are obviously *adversaries*. With them, it is most effective for each party to establish its own position without making demands, to understand the other’s position, to acknowledge its own responsibility in the problem, and to conclude with detailing its plans of action.

4. *Somewhere Between High Agreement, Low Trust and Low Agreement, Low Trust.* These are *fence sitters*. It is most effective for them to determine where each stands and to urge each other to think about the issues.

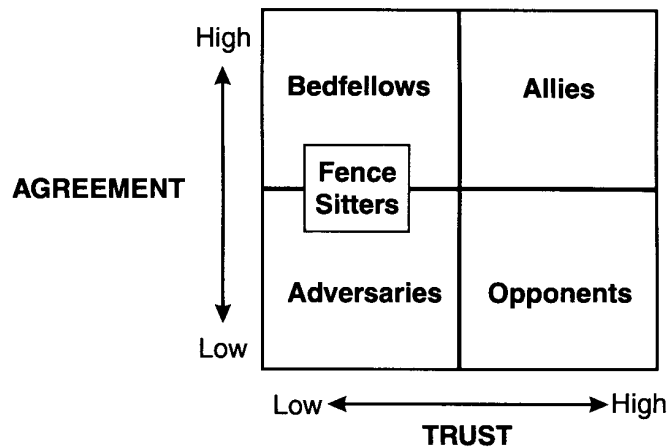
5. *Low Agreement, High Trust.* These negotiators are *opponents*, and their most effective move is to affirm the quality of the relationship, to determine each side's position, and to use creative problem solving to reach an outcome.

THE PROCESS

Negotiation stages, strategies, and tactics constitute the negotiation process.

Stages

Although negotiation is a moment-by-moment process, the stages through which it proceeds are identifiable: simply prenegotiation, negotiation, and postnegotiation—each of which is divided into substages.



Prenegotiation. The subphases of this stage are preconference negotiation and preparation. Preconference negotiation involves setting the requirements of the negotiation and selecting the site. The parties must agree on the general issue or purpose and the initial negotiation objectives for each party. Site selection can be critical because of the advantages and disadvantages of

particular sites. For example, “your place” means unfamiliarity with surroundings for one party, but it also gives that party the ability to delay action because of lack of access to superiors. “My place” makes it difficult for the host to walk out, but it provides easy access to experts, superiors, and information. A neutral “some place” might complicate the picture with a third party, but it could ease tension regarding territorial problems. “No place” is also possible; that is, teleconferencing and other types of technological forms of communication. The no-place site may allow time to respond but eliminates the ability to read nonverbal language.

Preparation can be a year-round process. It includes self-preparation for the negotiator, establishing one's objectives, and attempting to determine the other party's objectives.

Negotiation. This stage begins when the parties actually meet together to do business or at least to discuss the issues at hand. The subphases are climate setting, orientation, opening, conflict, bargaining, and agreement.

Although the *climate* depends on the approach the negotiators take, it should be polite and cooperative, because this is the most effective climate. The negotiator's *orientation* should be flexible, and neither party should reveal its BATNA. The *opening* can begin with a statement of position or a statement of interests.

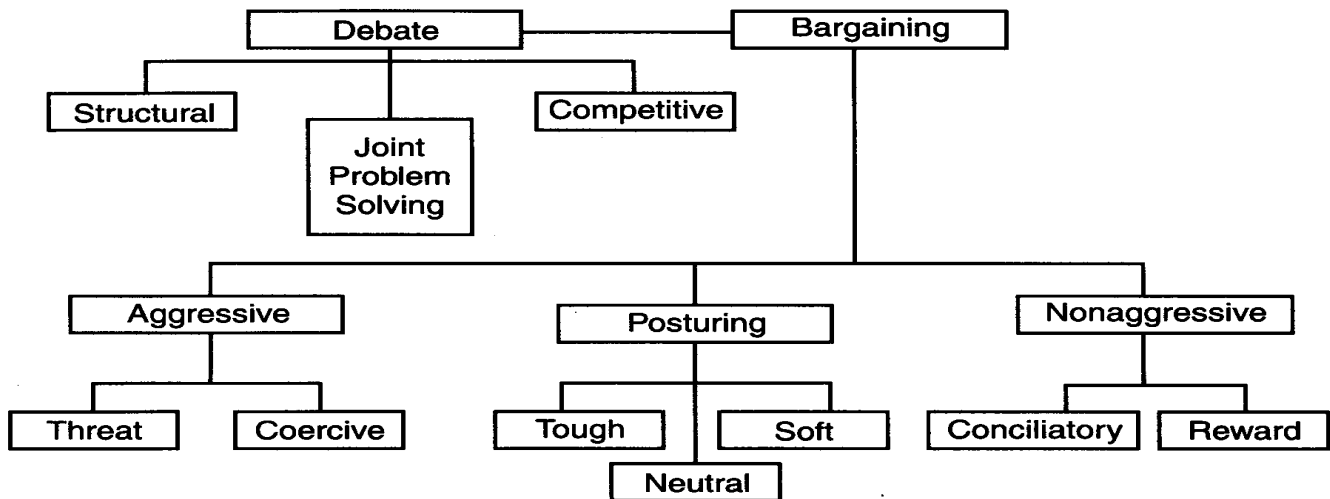
Conflict will occur regardless of how the other subphases are positioned, because negotiation always involves some real or perceived conflict. To avoid a stalemate, the negotiators will begin *bargaining*. Generally the negotiators will bargain a number of times before *agreement*, or the closing, is reached. In the agreement subphase, the parties move from a crises point to cohesion.

Postnegotiation. The final stage ensures implementation of the agreement. The formal contract is written, approved, and administered. In some cases, closure may be episodic and renegotiating will be needed.

STRATEGY AND TACTICS

The distinctions between *strategy* and *tactics* are blurred. However, the strategy can be seen as the overall game plan that the negotiator follows in achieving his or her goals, whereas tactics are the specific actions used to effect the strategy. In other words, strategy is the use of tactics to achieve an end.

The broadest categories of tactics are *rational* and *irrational*. Rational tactics (see Figure 2) are those designed by the negotiator to provide a positive outcome and include debate and bargaining. There are three types of debate tactics: structural, competitive, and joint problem solving.



The largest category of rational tactics (bargaining) is used to alter the other party's behavior. It can be divided into aggressive, nonaggressive, and posturing tactics. The hostile, aggressive tactics are generally threat and coercion. Nonaggressive bargaining allows the parties to use conciliatory and reward tactics. Posturing tactics are used to alter the perception of the



negotiator and the behavior that was probably planned. Tough posturing is used to give the appearance of strength; soft posturing, to influence cooperation and respect; and neutral posturing, to allow the negotiator to be inscrutable.

NEGOTIATION CONTEXT

Because the negotiation context refers to the immediate environment, the site selection is very important in the preparation phase of negotiation. However, there will be external environmental influences that are beyond the negotiator's immediate control. These include legal, social, economic, and political influences. The negotiators must be aware of these influences and the impact that they could make on the negotiation process and outcome.

TRENDS

A review of experimental and theoretical research and of the basic negotiation elements indicates a movement toward win-win negotiation. Some contend that fostering common outcome expectations between negotiators encourages reaching agreement. In replying to an experiment of noncooperative strategies in which buyers met the demands of sellers, Fruition understands that if the proper environment is established, *games* people can be replaced by *fair* people.

In reviewing experimental, computer-simulation, and international studies about useful strategies for gaining cooperation, we discovered a “remarkable convergence of findings.” While unconditional cooperation drew exploitation and coercion drew fighting, reciprocity strategies were most effective in gaining cooperation. In linking theory to field research, we also found that integrative bargaining (win-win) tactics were also useful for distributive (win-lose) bargaining, but the reverse was not true.

Furthermore, integrative bargaining tactics were recommended because they have the potential to expand alternatives and increase outcomes for both parties. This study reinforced the importance of a trusting and respectful relationship built on clarity, openness, and suspending commitment while options are being explored.

FRUITION IMPLICATIONS

The trend toward accepting the win-win approach as superior has some implications for Fruition professionals. They would benefit in several dimensions from knowing and practicing this negotiation orientation.

1. As the call for empowerment grows stronger, more and more people in organizations are profiting from negotiation-skills training. Because Fruition professionals often act as instructors, they need to know how to explain to others that negotiation is not only an interpersonal process but a learnable skill. Although all organizational levels can benefit from negotiation-skills training, management is particularly in need of these skills. Negotiation is becoming a way of life for managers, and a good percentage of the manager’s time is spent in negotiating—with superiors, subordinates, colleagues, customers, competitors, and vendors.
2. Since Fruition professionals are expected to be proficient in all interpersonal skills, they obviously need to have negotiation skills. However, these competencies can also help the Fruition professional in taking his or her rightful place at the executive level and in becoming involved in the organization’s strategic planning. The Fruition professional needs to know how to negotiate for his or her own special interest, for the long-term human needs of the organization, and for the overall business objectives.
3. Strong corporate cultures practice more win-win than win-lose negotiating. Because the creation and maintenance of a healthy corporate culture comes under the auspices of organizational development and value-based strategic planning, Fruition

- professionals need to promote and practice cooperative organizational behavior. They must model a win-win attitude, which consists of openness, receptivity, integrity, flexibility, and creativity.
4. A background in negotiation can lead to new organizational roles for the Fruition professional. Organizational mediators are emerging in organizations, with more new roles likely to follow.
 5. Effective negotiation can facilitate the establishment of partnerships and networks, both of which are important to the Fruition professional's need to move ideas through the organization and to pave the way for change.
 6. On a personal level, the Fruition professional's ability to negotiate from a win-win stance can improve relationship both on the job and away from work. Human resource development emphasizes a balanced life, and improvement of one's personal relationships can only benefit all other areas of a Fruition professional's life.

CONCLUSION

The time for cooperation has arrived. The win-win approach to negotiation, requiring a repertoire of practical skills, is gaining wide acceptance. Because win-win negotiation is more time consuming than unilateral decision making, some believe that it is a weak approach. However, it allows negotiators—who traditionally regard each other as adversaries—to share and understand interests, to build a relationship, and to explore options and make commitments that produce joint mutual gain. Win-win negotiation may not be a perfect process; it is, however, better than the alternatives.