Negotiation

Negotiation is an interactive communication process that occurs when we want something from someone else and/or someone wants something from us. Although we may not recognize and label them as such, we all engage in negotiations throughout our personal and professional lives. Examples of personal negotiations are major purchases, childcare and household responsibilities, and even what to have for dinner. Professional negotiations may involve a new job, salary or change in work responsibilities. This toolkit will review how to conduct successful negotiations that will result in a positive outcome for you and for the other person(s).

The Opportunity

Negotiation should be viewed as an opportunity to solve a problem. Because there are no “right” answers, it is important to become comfortable with ambiguities and adopt a “solution-focused” approach that if possible will result in a positive outcome for all parties. Taking a positive approach means addressing any discomfort with the process that you may have.

The Challenge

Negotiation makes us feel uncomfortable for many reasons. Some people are averse to conflict or competition, or become impatient with the time it takes to engage in the process. There may be fear of power and hierarchy. There are risks such as failure to achieve goals, or damage to relationships. In addition, there are gender differences in the approach to negotiation that make the process more complex. In general, men view negotiation as competition/sport and find aggressiveness acceptable; they know what they want and expect to have to ask for it, and they often ask for more than they expect to receive. Women are more likely to avoid conflict, and while expecting the world to be fair, will demand less and concede too soon; they also are less aggressive, and instead try to be agreeable and build consensus.

Two Types of Negotiation

There are two types of negotiation, positional (distributive) and interest-based (principled). Positional negotiation assumes a “fixed pie” or fixed resources that mean more for one person and less for another. It revolves around a single issue and is competitive with a “win-lose” outcome. Positional negotiation has drawbacks: it is inefficient and does not promote problem solving. Most importantly, it can damage relationships, so has no utility in the workplace. An example of positional negotiation would be when negotiating a major purchase such as a house or car, where it is unlikely you will encounter the other person in future.

Interest-based negotiation seeks to “expand the pie.” It assumes there is trust and shared interests between two parties, and promotes and maintains positive relationships. It seeks to answer “why”: to understand not only your desires and needs but also discover and understand the other person's desires and needs. It requires creative and collaborative problem solving from both sides with the aim of mutual gain and a “win-win” outcome. It also provides opportunity for growth of relationships and shared interests.

<table>
<thead>
<tr>
<th>POSITIONAL</th>
<th>INTEREST-BASED</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESOURCES</td>
<td>Fixed</td>
</tr>
<tr>
<td>COMPETITIVE</td>
<td>Yes</td>
</tr>
<tr>
<td>OUTCOME</td>
<td>Win-Lose</td>
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<tr>
<td>DRAWBACKS/ CHALLENGES</td>
<td>Relationship Damage</td>
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In summary, the best approach to negotiation is to **engage in problem-solving**. Exchange information about interests and priorities, focus on value added to the organization, and **be creative** when generating ideas for potential solutions.

The remainder of this toolkit will focus on how to engage in interest-based negotiation.

**Interest-Based (principled) Negotiation: Preparation**

Your preparation should involve asking and answering the following 5 questions:

- What is my goal/interests?
- What are the other person's main interests?
- What standards may be used to help us solve the problem?
- What are some options?
- What will happen to us if we walk away?

Knowing the answers to these questions will allow you to **listen more effectively** during the negotiation, and promote a **creative problem solving** process that will increase the chance of success. Knowing your goal(s) and interests as well as those of the other person allows you to find common ground needed to create potential solutions. You should know the strengths and weaknesses of your position as well as your value to the organization. What is the added value to getting what you want? Is your request aligned to your organization's goals? Standards may be useful; for example, are there relevant organizational policies, data or metrics that support your position? Will you need a business plan? You should be creative in developing options and solutions, and know what options you will have if you walk away. That includes knowing your “BATNA.” BATNA, coined by Roger Fisher and William Ury, is an acronym for “Best Alternative to a Negotiated Agreement.” It is not your ideal outcome but instead is the best you can achieve without the other person’s cooperation, as if they did not negotiate with you at all.

Be creative when thinking about your goals. You may have a primary goal or interest, but you should consider other options or secondary goals such as pensions, educational opportunities, increased autonomy over something, or creating more fairness.

Negotiation can occur at any time, but note that the **Annual Performance Review is an ideal opportunity** for negotiation. Think ahead about what you need for your individual development as well as resources needed for the division. You may link your goals to needed resources such as time, space, money, mentoring, or technical support. Make sure your goals are aligned with department and institutional needs/goals.

**Interest-based (principled) negotiation: The 5 Steps Process**

There are 5 steps to the negotiation process:

- Prepare
- Discuss
- Propose
- Bargain
- Agreement

**Step 1: Prepare** (also see Preparation above)

- **Assess objectives:** yours and theirs: You may have a main goal and a lesser goal, or even a “stretch” goal—people who expect more often get more. Try to imagine what it would be like to achieve your goal.
- **Decide on areas of possible flexibility:** Are there tradeoffs? Think ahead and be creative about options/concessions.
- **Plan approach and sequence of events:** Prioritize goals and objectives, make contingency plans such as taking a break or arranging a second meeting in a week in order to buy time.
- **Role play:** Rehearse areas that are problematic.
Don’t forget you should review your prioritized list just before your discussion so you are prepared to discuss multiple issues.

**Step 2: Discuss**
- Exchange positions and issues
- Create a positive working climate
- Listen carefully and question thoroughly

You should take notes and periodically pause to summarize for clarity and understanding.

**Step 3: Propose**
- State your position clearly
- Specify what you want
- Articulate the value of your proposition
- Align your interests with theirs

Articulate what you want, propose a solution/resolution that fits with their and/or the institution’s goals

**Step 4: Bargain**
- Be willing to make some concessions
- Seek a win-win if possible
- Remember your optimum and fall back positions
- Don’t concede without exchanging

Use objective criteria to support your position. If there is an impasse, state or restate the obvious: what we agree on, what we still need to discuss

**Step 5: Agreement/Closing**
- Reach agreement
- Gain commitment
- Follow-up in writing

Send a follow up note or email summarizing what was agreed upon

**Helpful hints during the negotiation process:**
1. Stay calm and focused
   a. Bring a list of main points and questions
   b. Listen carefully: the more they reveal, the more you learn
   c. Take notes, summarize for clarity and understanding
   d. Follow up to confirm agreement in writing
   e. Be prepared to walk away if agreement not reached
   f. Manage your emotions and stay positive, avoid becoming impatient (negotiation takes time and patience), be flexible

2. Focus on interests, not people/personal
3. Redirect personal attacks to issue at hand
4. Listen actively and reflectively; take in new information, ask questions to uncover issues and interests, exchange ideas
5. Synthesize information and use it in your argument, state positions clearly, advocate for yourself
6. If impasse occurs: state/restate the obvious

**Summary**
Interest-based (principled) negotiation is a process that has the potential for a “win-win” outcome, and requires careful preparation including goal setting and prioritization. Staying calm and solution-focused, asking questions and employing active and reflective listening will allow you to understand the issues, exchange ideas, and achieve a successful outcome.
REFERENCES:

1. Luanne E. Thorndyke, M.D., FACP, *Tools and Tips for Successful Negotiations*, American College of Rheumatology Division Directors’ Conference, March 9, 2019, Chicago, IL. We gratefully acknowledge Dr. Thorndyke’s significant contribution to the creation of this toolkit.


ADDITIONAL RESOURCES:

