NEGOTIATION

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Objectives:
The session is designed to:

- Identify and discuss individual sources of negotiating strength
- Practice skills that can influence the outcome of the negotiation
- Develop an awareness of the importance of personality traits, trust and self-awareness in effective negotiating
What is negotiation?

Negotiation is back and forth communication designed to reach agreement while leaving the other side intact and positive.

Easier to negotiate when the two sides have some shared interests and some opposed.
Negotiation

Soft:
Participants are friends.
The goal is agreement.

Hard:
Participants are adversaries.
The goal is victory.
Negotiation

Principled = Negotiating on the merits or principles or interest based negotiation

- Develop multiple options to choose from; decide later.
- Avoid premature judgment.
- Avoid searching for the single answer.
- Avoid assuming the pie is fixed.
- Avoid thinking that “solving their problem IS their problem”.

From Fisher and Ury: Getting to Yes, 1981
When and where do we negotiate?

- At Work
  - Salary and job responsibilities, space etc
- With Patients
  - Compliance
- At Home
- Other ??
Negotiation

Includes:

- Listening
- Ability to identify the interests of both sides
- Persuasion
- Diplomacy
- Building and preserving relationships
Negotiation Process
Preparation:

- Know what your interests are and why you value them
  - What is the issue at hand
  - What are the “needs” vs. “wants”

- Know the strengths and weaknesses of your position and self
  - Self awareness, personality characteristics, emotional intelligence
Negotiation Process
Preparation:

- See things from the other side’s point of view- why they are negotiating?
  - Research the interest of the other side
  - What are their needs (security, autonomy, recognition)

- Be aware of the unpleasant consequences for both sides if your idea/proposal is not accepted
  - If you succeed who else might be affected, harmed, advanced?
Negotiation Process Planning:

- Brainstorm all alternatives that could satisfy your needs
  - Be creative and expand the pie
- Know who is supportive and who is not/less
  - Does this person have the authority to make the decision?
  - Are there any penalties for bluffing?
  - Are there time limits associated with negotiations?
Negotiation Process Planning2:

- Imagine how it would feel to achieve your goal
- Role play your opening with a trusted colleague and rehearse the problematic areas
  - Be the devil’s advocate
- Plan ways to break it/Buy time
  - “I need to think over what you just said so can I have a couple of minutes?”
The Best Alternative to a Negotiated Agreement (BATNA)

- A well thought out BATNA gives you more power (leverage)
- Decide on:
  - What you can comfortably walk away?
  - Bluffing? Don’t allow desperation to be detected in your non verbal
Negotiation Process During1:

- Bring the list of your main points and a set of questions
- Try not to interrupt; the more they reveal, the more you’ll learn
  - Re-state as impartially as you can “as I hear it…”
- Stay open to new information
- Take notes
Negotiation Process During 2:

- **Focus** on interests. Not people, not gains
- **Use** objective criteria to make decisions and be sure the other party does as well
- **Redirect** personal attacks onto the problem at hand
Negotiation Process During 3:

- **Listen** actively and reflectively
  - Listen also for what is not said
- **Learn** from what the other side says
  - Stay open to new information
- **Synthesize** the information you hear and use it in your own argument
Negotiation Process During:

- Be prepared to walk away if an agreement is not reached.
- Write a note or memo if contract or agreement is required.
  (e.g., “If I don’t hear by x, will assume that it stands”)
Common Errors

- Assuming shared values
- Assuming similar communication preferences
  - Big picture thinking or detailed analyses?
  - Stories or facts?
  - Time to process or get decisions over with?
- Expect reciprocity
- Avoiding conflict
- Trying to prove how smart or “right” you are by talking
- Not listening carefully
Negotiation: Planning
REF: Shell, Bargaining for Advantage

<table>
<thead>
<tr>
<th>Negotiation Behavior</th>
<th>Skilled</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions, as % of all negotiating behavior</td>
<td>21.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Active listening: Testing for understanding</td>
<td>9.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Active Listening: Summarizing</td>
<td>7.5</td>
<td>4.2</td>
</tr>
<tr>
<td>Total information exchange</td>
<td>38.5</td>
<td>17.9</td>
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</tbody>
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The Six-Step (Negotiation) Process

1. State the problem/issue.
2. Identify real needs (interests) on both sides.
3. Restate the problem/issue (I think the real issue is...).
4. Present possible solutions.
5. Decide on the best solution.
6. Reach consensus.
Negotiation of new position/$

- **Salaries**
  - Learn about the “market” regionally, nationally and the range at the institution
    - [www.aamc.org/](http://www.aamc.org/) publications

- **Postpone until position is offered**
  - Let the other side made the first offer
    - “well, so far the position is attractive, and I’m sure you pay a fair salary, don’t you..”

- **Tie requests for resources to the mission of the institution and other party’s needs**

- **REM:** The salary offer is not fixed!
Other features to negotiate:

- Benefits
  - Parking, vacation, retirement, insurance
- Promotion criteria, track
- Space and equipment
- Expectations/ time commitments
  - Protected time
- Professional development opportunities
  - memberships, meetings
- Administrative support
Gender and Negotiation

Mythical Perceptions

- Good behavior is justly rewarded
- Corporate or academic family will take care all members
- One’s unique abilities naturally lead to advancement

- **Reality**
  - Unwillingness to ask for desired reward and then to negotiate to mutual agreement
Barriers to Negotiation

Self-perception

- It is more important to be liked than anything else
- Tend to feel more empowered to negotiate for colleagues than for self (extension of protecting children)
- More likely to experience work opposition as harmful to friendship
- Too rule-oriented
- When anxious, tend to talk too much!
Barriers to Negotiation

Power talk and Power actions

- Disqualify assertive statements “This needs to be done...is that OK?”
- Automatically apologize when noting another’s distress = admission of responsibility
- Invite disagreement “You may not like this, but...”
Barriers to Negotiation

Try 3-stage assertiveness:
When you do.....
I feel..... because....
I prefer....
Negotiation Outcomes

- Both sides should come to consensus and commit to the agreement.
- The agreement should help to maintain ongoing communications and interactions between the negotiating parties so that future negotiations can take place.
- Negotiations should lead to a better situation.
The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function.

F. Scott Fitzgerald
Remember...

- Don’t dwell on people or gains. Stick to the interests at hand.
- Don’t close doors. Be fair. You may wish to enter into negotiations again.
- The end result should be acceptable to both parties.
- Your BATNA establishes the reality of how important the agreement is to you and what you are willing to accept.
Remember...

- If you don’t ask, don’t expect...
- Negotiations with high expectations do better.
- The pie is almost never “fixed”.
- Don’t be afraid to offend: “it’s only business.”
- Most negotiations are as much about emotion as they are money.
Remember...

- Pay attention to both levels of process:
  - Discussion of the issue about which decision must be made
  - Development of a relationship that leads often to win/win solution
- Don’t give too much credit to the other side
- You are an asset and present from strength