



## *The Art of Negotiation*

*Humans have found a way to resolve their differences without fighting. We do this constantly at work and at home. But how do we go about negotiating effectively? Here we examine the fundamentals, and offer some tried-and-true advice . . .*

□ Everybody negotiates — or at least everybody who is not a babe in arms. As soon as they can talk, toddlers try to get their way by making bargains. They will ask: “Can I stay up after bedtime if I’m good?” Their parents may want a more specific concession: “Okay, if you put your toys away.” Thus a classic negotiation is concluded — classic in that it meets the wishes of all concerned.

From that age on, people proceed to negotiate their way through life — with their parents, friends, mates, employers or employees, business contacts and colleagues. Some become professionals at it: not only diplomats and business agents, but many lawyers and executives, and a multitude of people in sales. Most of us remain amateur negotiators, but there are times when we are all called upon to assume that role when buying or selling things, dealing with marital or family problems, asserting our rights, or seeking compensation. At such times it helps to consider what negotiation is all about.

Fundamentally, it is a way of settling differences with a minimum of strife. It is an exclusively human activity. When the other creatures of the earth come into conflict, they must either fight or run away. Our ability to communicate ideas has given us another choice. We can use our jaws for purposes other than to maim or threaten our adversaries. This means that the physically weaker members of our species have a chance to assert their interests on an even level with the strong.

Negotiation, then, is the antithesis of the application of force. It is a process of coming together in an agreement, and agreement must be based on consent. But it is often mistaken for precisely what it is not, mostly because of what we hear — and therefore think — about it. The news tells us of diplomats “winning” points or “giving away” concessions in arms or trade negotiations. Management and union representatives sit down to “fight it out” at the bargaining table.

Our perception of the negotiation process is clouded by a cultural preoccupation with winning and losing. We live in a society of gains and losses at work and at play. We see our favourite sports teams attain victory or go down to defeat. In business, we try to “beat” the competition. It is therefore difficult for us to conceptualize a form of competition in which it is possible for everyone to win.

This has partly to do with the arithmetic logic we learned as children. If you have two marbles and one is taken away, you are “down” one marble: you have lost it, in other words. But that does not apply to all of life: for instance, you cannot subtract an idea. If two persons exchange ideas, neither has lost anything; both have added an idea to those they already had.

If that seems confusing, so does the fact that negotiation is both competitive and co-operative. In his book *Fundamentals of Negotiating* (Hawthorn Books, New York, 1973) Gerard I. Nierenberg, president of the Negotiation Institute, explains how this can be so. He writes: “Competi-

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tion that permits each man to measure his competence or means against the other's — and to be rewarded proportionally — is really a co-operative achievement." Though the interests of the parties to a negotiation are bound to differ, they should "always be on the alert to convert divergent interests into channels of common desires."

In the real world, negotiations are often tough and nasty because no thought is given in advance to what objectives the "opposers" (this term is used by some negotiation consultants because the word "opponents" suggests confrontation) may have in common. People tend automatically to assume a belligerent stance when they line up on sides.

It is natural enough to take sides at the start, but it should be kept in mind that the purpose of all the talk is to bring the parties around to the same side — that is, to consent to an arrangement. If people refuse to move figuratively around the table, they are left with the choice of the jungle: to fight or run away.

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### *The first objective is to make the agreement stick*

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Sometimes what appears to be a negotiation is actually no more than a bloodless fight in which the stronger party beats the weaker into submission. One side is forced to make all the meaningful sacrifices. Having done so, the loser has no incentive to abide by the terms of the settlement. This means that it cannot be expected to last in the long run.

History provides many examples of imposed settlements which eventually backfired with disastrous effects. After World War I, for instance, the Allied Powers exacted ruinous reparations from Germany. Twenty years later the Germans attacked them again under a leader who exploited their instinct for revenge.

The mistake made by the Allied diplomats is likely to crop up in human relations of all kinds. They seized a short-term advantage without regard to their own long-term best interests. They ignored the basic fact of life which is at the core of all negotiating strategy — that people can never get 100 per cent of what they want.

The corollary is that people must give in order to receive. This does not mean that one must give away the whole store in a negotiation. But shrewd bargainers always ask themselves what short-term advantages they can concede to meet their long-term objectives. The very first objective must be to arrive at a settlement that can be relied upon — one that is satisfactory enough to the other party that he or she can be expected to live with its terms.

But effective negotiation is more than a matter of straight give and take. The swapping of advantages without reference to the context in which it is done is likely to result in an unsatisfactory quantitative splitting of differences. When people think in terms of points to be gained or given away, they are inclined to be possessive. They become overly concerned with minimizing the things they will have to surrender.

By concentrating on what they stand to lose, they enter into negotiation as if it were a debate in which their task is to prove the rightness of their cause by outwitting or overpowering the opposition. As consultant Fred E. Jandt writes in his *Win-Win Negotiating*, (John Wiley & Sons, Toronto, 1958) "Positional bargainers articulate certain demands (their 'positions'), and they measure their success in terms of those demands to which their opponents accede. In positional bargaining, either I win or you win; either the majority of your 'positions' prevail, or the majority of mine do."

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### *Demands are but symptoms of underlying problems*

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This type of bargaining carries the danger that the position itself may become more important than the ultimate objective. The bargainers are apt to get stuck in the positions they have staked out. The longer they defend them, the farther away they are from the point where they can meet their opponents in a mutually beneficial deal.

Negotiations frequently become bogged down on a single issue which has little to do with a party's original aims. For example, a union may refuse to sign a contract unless the management reinstates

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some of its members who have been suspended for refusing to follow instructions. Reinstatement becomes the issue, instead of the package of pay and benefits the parties set out to negotiate.

The alternative to positional bargaining is what the experts call "interest bargaining," meaning that it takes into account the full range of both parties' interests. This approach is based on the rule that it is better to negotiate problems than demands. When, in an industrial or international dispute, a mediator is called in, the first thing he or she does is examine the underlying problems.

Long before they reach the mediation stage, negotiators should examine their mutual problems together on the theory that demands are merely symptoms of problems. The least such an examination can accomplish is to establish the feeling of being in the same boat.

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### *Good negotiators listen a lot more than they talk*

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If there is one theme that runs through the writings on negotiating techniques, it is that what people want and what they say they want are often different. "Practitioners of interest bargaining," writes Jandt, "investigate the *real* — as opposed to the stated — desires of opponents. [They] then seek ways to satisfy their opponents' desires — by, among other approaches, offering desiderata that they themselves control in exchange for desiderata that their opponents control." (Desiderata is defined as "things lacking but needed or desired.")

People may not be conscious themselves of their underlying needs and desires when they first make their demands. Say an employee asks for a transfer. It turns out that she does not want to be transferred at all; she wants to be relieved of having to telephone late-paying customers because she is bashful. Her manager negotiates a compromise in which she trades a certain duty with an employee in the same department who is bored by that aspect of what he is doing. The manager keeps a valuable worker, and everybody is satisfied all around.

To uncover what the hidden issues are, one obviously must ask the right questions. The ability to draw out information is among a good negotiator's

most valuable skills. Professionals in the field write down their questions in advance, sometimes running them past a third party to ensure that nothing has been forgotten. They also ensure that their questions are phrased in such a way so as not to antagonize an opponent or impugn his honesty. No matter how rude and aggressive an opponent might be, you cannot go wrong by being polite and composed.

Questioning serves no purpose, however, if one does not pay attention to the answers. Since every word counts in a negotiation, extraordinary efforts must be made to follow and absorb exactly what is said. A skilful negotiator is a skilful listener (See Royal Bank Letter, January 1979). Much of the confusion that arises in the course of bargaining is the result of one party missing the meaning of the other's words — usually because the first party's mind is occupied rehearsing what he or she will say when his or her turn comes.

Successful negotiators generally do more listening than talking. The only time when they may say more than their opposer is when they periodically summarize what has occurred to keep track of the concessions made and to confirm that it has all been mutually understood. One of the most serious faults a negotiator can have is talking too much. It can wreck one's strategy by revealing intentions and feelings prematurely. For example, a couple looking at a house to buy who enthuse over its attractive features put themselves at a disadvantage when they come to negotiate the price.

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### *It is easier to change 'no' to 'yes' than vice-versa*

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The most critical time to keep quiet is when there is nothing more to be said. How many times have you been in an argument which seemed to be settled, but which flared up again because someone insisted on getting a final crushing word in? Often the hardest part of a bargaining session comes in closing it. One simple proven method is to say: "I think we know everything we need to know to agree, don't you?"

Negotiation is not, of course, under the control of one party. You too will be asked questions, and objections will be raised to your case. It is advis-



able to prepare in advance for the challenges you will encounter. Get a colleague or your mate to cross-examine you, trying to anticipate every possible question and objection. From this exercise you can develop a list of the facts you will need on hand to support your case. Thorough research is important. Incomplete or faulty information can gravely detract from your bargaining power.

For many of us, the most difficult word in the language is "no." A skilful negotiator must be prepared to say it frequently, putting aside the desire to be agreeable so as to be liked. You should always reply in the negative when you have the slightest hesitation about what is being proposed. It is always easier to change a "no" to a "yes" than the other way around.

Negative replies also help to give yourself time to think. Usually when we come away dissatisfied with a deal, it is because we have been pressured into a decision. Professional negotiators call frequent recesses and request that difficult points be bypassed so that they may deliberate them and come to a decision later. They refuse to be rushed.

The prime rule is to negotiate patiently. This not only protects your interests, but produces better long-term agreements. In his book *Give & Take* (Thomas Y. Crowell, New York, 1974) Chester L. Karrass, director of the Center for Effective Negotiating in Los Angeles, writes: "Patience gives an opponent and his organization time to get used to the idea that what they wish for must be reconciled with what they can get . . . It gives [opposers] time to find out how best to benefit each other. Before a negotiation begins it is not possible for either to know the best way to resolve problems, issues and risks. New alternatives are discovered as information is brought to light."

A sure sign of less-than-sincere negotiating is revealed when an opposer seems to be in too much of a hurry to close a deal, attempting to impose an arbitrary deadline ("I can only keep this for you till Thursday") or making a "final offer." Assuming you really want what he has, what do you do then?

Rather than being stampeded into terms, you should first point out what he has to lose by coming to an impasse. In his *Power Negotiating*

(Addison-Wesley, Don Mills, 1980) consultant John Illich recommends the "It's-a-shame-to" technique, as in: "Look, we've resolved three out of the four most important issues. *It's a shame to* make that much progress without resolving the remaining issues . . . *It's a shame to* give up without giving it a sincere try."

Illich writes that this tactic is designed to justify the reason to keep negotiations alive without pleading, begging or capitulating. Still, there is always a chance that the person making a "final offer" means exactly what he or she says. If so, the best course is to break off the talks; better to fail than to be stuck with a bad bargain. In many cases, though, it could be a bluff. If you stand your ground, you will find that the final offer was not so final after all, and the deadline was not as rigid as it was purported to be.

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### *Leave the opposition a face-saving way out*

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When calling a bluff, you should always think of a means to allow your opposer to climb down gracefully. No matter what the situation, from a marital disagreement to a billion-dollar merger, negotiation is essentially an interaction among human beings. Hence emotions are involved — specifically pride, or "face," as the Orientals call it. If you back your opponent into a corner with no face-saving way out, he or she has no choice but to fight.

Although charity seemingly has no place in bargaining, a little of it is sometimes necessary to allow others to preserve their dignity. It is not the only old-fashioned virtue involved in negotiating effectively. Tolerance and understanding both have a part to play in this important arena of human relations. These are civilized qualities, and they are all directed toward the same eminently civilized end — to resolve the differences that are bound to arise among human beings in an atmosphere of peace.