



ARRIVING AT AGREEMENTS

The art of succesful negotiation is a tough one to master, but with preparation and an appreciation of psychology, it is possible to get the most out of the experience.

By Thorsten Hofmann

The first prime minister of India, Jawaharal Nehru, once asked “All wars end with negotiations. So why not negotiate immediately?” This describes a fundamental insight into modern civilisation: today, we try to solve our partially opposing interests through dialogue. Debates, considerations and negotiations take place throughout our society, whether in a traditional way at a Turkish bazaar, when buying a car or in the political arena. Negotiations are a crucial success factor for every

company, organisation and individual. Everything is a matter of negotiation. The basis for such negotiations is an exact analysis, based on psychological insights, of the parties involved, their attitude, targets and alternatives, as well as their strengths and weaknesses. However, we usually forget to apply this analysis to ourselves and fail to examine our own attitude, defined targets,

strengths, weaknesses and lines of negotiation. Although negotiating is a daily professional task, and negotiations decide success or failure, most people spend little to no time on professional negotiations, the psychological principles involved, as well as strategy in negotiations, its methodology and training to negotiate properly.

Any discussion about opposing interests makes for a negotiation. Negotiating requires owning the communicative skills to reach an agreement, which largely includes one's own interests and negotiation targets. An agreement means not to ignore the opposing interests of one's negotiating partner but to take them into account. But negotiating is not bargaining: rather, it happens on a subject-related and performance-linked level.

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Of course, every party represents certain interests and follows its own targets in a negotiation. Dealing with the other party in an intense way and communicating flexibly for maximum effectiveness is the main challenge. Those who know some important principles and strategies can control the negotiating situation in a better way and conclude it successfully. So, what is the path to success? Which strategies should be chosen? And how do you carry them through in an optimal way during the discussion? What makes you a successful chief negotiator?

KNOWING YOURSELF You need to know yourself even better than your negotiating partner. Being

aware of your own targets, lines of negotiation and concession options is an important determining factor for the outcome of a negotiation. Therefore, extreme attitudes are out of place. A self-overestimating person can quickly lose track when the course of the debate takes an unexpected turn (“over-estimated power”). Since this person does not expect that the negotiation could fail, there is no alternate Plan B, meaning an option which could still lead to success. However, a person who undersells his or herself because they underestimate their own position of power or negotiating position enters the dialogue with demands that are too low (“under-estimated power”). Experience shows that it is mostly women who underestimate themselves. Because of that, they usually do not achieve the same result in salary negotiations as their male counterparts. A realistic assessment on the basis of a precise analysis of oneself and the opponents is the way to success.

NO NEGOTIATION WITHOUT PREPARATION

Thorough preparation is the way to a successful result. Even old hands in the negotiating business shouldn't take this too easily and prepare their work sloppily. You should systematically clarify the circumstances and gather as much information as possible, because knowledge is power. Mindful listening and detailed observation, as well as analysing and calibrating body language, helps to assess your negotiating partner. The information has to be double-checked over and over, and specific questions about the situation have to be phrased. By all means, this has to happen in advance of the negotiation.

Some questions to consider as part of your preparation include: which higher targets are you aiming at, both on the contextual level and the personal level? What is your specific target – in other words, what is the minimum you want to achieve, what is your most realistic and your maximum target and what is your opening bid? How is the negotiating power spread? How well do you know your opponent – what are their interests and your mutual interests, and which result would be profitable for both sides? What kind of information do you impart to your opponent – what will you reveal and what will you keep to yourself? What are the presumptions for the time being? Are you negotiating about a single aspect or a whole package – what are the main points of the package, how are these points linked to each other and which points are important to your opponent? Where could you offer concessions, and which concessions could you demand of your opponent?

Organisational matters should not be overlooked. Will you negotiate by phone, email or in person? Where will



you meet, and will you be negotiating alone or in a team? Is there a time frame for the negotiations, and by when do you need a result? Finally, before entering into the negotiation, you should take a look at yourself. How secure are you in negotiations? What is your weak spot, and what will you do if the negotiation fails?

DEVELOP SMART TARGETS There is no negotiation without clearly specified targets. A scientific experiment, conducted by Chester Karras with 120 professional negotiators, showed that negotiators with high but realistic expectations always achieved the better results. They prevailed against negotiating partners with lower targets, even if they were more powerful and skilled. The SMART method determines matching catchphrases, which help to realise such a high but realistic target. SMART stands for specific, measurable, attractive, realistic and terminated.

Let us take salary negotiations as an example. The basis is exact expectations about the intended pay raise (specific). You should be able to prove your demands with your accomplishments and achievements, as well as being able to draw on further numbers, for example with a list of salary levels (measurable). The art of salary negotiation is to make the demand appealing for your opponent although it is unilateral at first sight: a higher salary also means higher responsibility, and thus a higher level of performance (attractive). Assess your real accomplishments in a

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realistic way and avoid making absurd demands, in order to prevent your superior from being scared off (realistic). A salary agreement will only be implemented if there is a specific point in time for it. So, think about and propose a certain date (terminated).

ALTERNATIVES AND SIMILARITIES Visualise targeted alternatives outside the framework of the negotiation. When are the alternatives better than the result of the negotiation? In which concessions would you get involved with? In certain constellations it can be advantageous to let the negotiation fail. This also takes account of the “programme of negotiation” (PON) by Roger Fisher and William L. Ury. You gain the best overview of your “best alternative to negotiated agreement” (BATNA), if you create a list of possible alternatives and balance it in a

EXECUTIVE SUMMARY

Some skills of successful negotiators

- ➔ Knowing and understanding the principles of the negotiation process
- ➔ Realistic assessment and acceptance of their own person
- ➔ Expressing strong emotions in a way appropriate to the situation
- ➔ Proceeding in a focussed and determined way, without disturbing the inter-personal relationship
- ➔ Being able to say what you mean in a way that engages the listeners' attention
- ➔ Mindful listening and properly using questions
- ➔ Interest and willingness to learn from every negotiation

critical and realistic way. Similar to a brainstorming process, this is about gathering many different options and thinking out of the box. The BATNA of your negotiating partner needs to be included simultaneously. Similarities which connect you to your negotiation partner should be analysed in advance and should then be used as an important basis for the negotiation. In which points do you already agree with your negotiating partners? Where do parallels in targets and interests arise?

Recognising similarities is important for triggering an agreement and solving difficulties. The area where interests and targets overlap is called ZOPA (zone of possible agreement). Those who keep an eye on the ZOPA, aren't in danger of making ad hoc concessions and losing the overview of what could have been possible during the negotia-

tion. This is especially important if multiple persons on both sides are negotiating about the same theme.

VERBAL TACTICS Different tactics can be used to move the negotiation in a positive direction for you. Challenge your opponent with provocative questions: this can achieve one or more concessions. With the distraction mechanism, you debate intermediate steps which dilutes the view on the actual target. Constant references to standards which you define as “normal” is an established tool for influencing the negotiating partners. Additionally, don’t underestimate the power of keeping silent in negotiations. Deliberate silence unsettles your opponent. The tension will make him talkative, giving away information or giving away certain aspects. Repeating latent attacks that question the competence of your opponent cater to a similar emotional confusion.

You should always stay friendly during the conversation and show polite understanding of your opponent. Referring to your own interests and targets, proceed according to the motto “understanding does not mean agreeing” and stick to your fact-based positions. Don’t be afraid of confrontations. Fear puts you in a defensive stance and won’t help you reach your targets.

HANDLE YOUR FEARS Fear is the enemy of a good, target-aimed negotiation, because pressure produces counter pressure. One thing is certain: we cannot simply ignore fear. It has a signalling effect. If you misinterpret or misjudge fear signals, you are always in danger of overestimating yourself or acting negligently. If, on the other hand, the fear level is seen as unmanage-

able or the worst-case scenario is considered unacceptable by the negotiator, the person will try to handle the fear on a mental level first.

The result of this effort will be a permanent mental conflict with fear. To describe it in a pictorial way: the fear doesn’t mind if we are communicating with it on a positive or negative level. As long as we mentally deal with it, we strengthen its position within our thoughts, and, by implication, in our decision-making, too. The professional negotiator tries to overcome fear mentally, to retain his flexibility in the negotiation. In this case, overcoming means two different things: on the one hand, it means good preparation, and thus building up confidence. On the other hand, it means conditioning yourself psychologically (with the help of a coach, if needed), so you can focus your attention on your opponent when fears emerge. This way, you won’t fall into an inner dialogue, which means you can stay focused and emotionally unstressed.

CONCLUSION Thorough and target-aimed preparation is the most important basis for leading a negotiation. Deal with yourself and your opponent. Make your targets present with the SMART method and name your BATNA and a mutual ZOPA. This is a base on which you can resort to and ensure your statements during the conversation. Psychology makes you a full-value chief negotiator. No matter if you manage your own condition in an aggressive negotiation, recognise bluffs and tricks, anticipate the course of the discussion or uncover simulated behaviour: psychological knowledge is an essential skill that aids you in successfully dealing with negotiations.

A fundamentally healthy self-awareness and acceptance of your own person are the basis for positioning yourself and acting with self-assurance. Apart from that, the key thing which is important for anyone who wants to develop further also applies to the negotiator: training, training and more training. |



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