

DEFINITION OF NEGOTIATION

- ▶ Negotiation is a process where two or more people resolve their differences where there is an ambiguity as to the correct outcome

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- ▶ Negotiation is every event in person, in writing or electronic where you are trying to influence someone's behaviour or they are trying to influence yours

PROBLEMS WITH NEGOTIATION

- ▶ Most frequent voluntary activity
- ▶ The other side always has right of veto
- ▶ Asymmetry of information
- ▶ Every negotiation is different from the others
- ▶ We negotiate intuitively and instinctively.

TWO WAYS OF NEGOTIATING

Distributive

(more for me means less for you)



Integrative

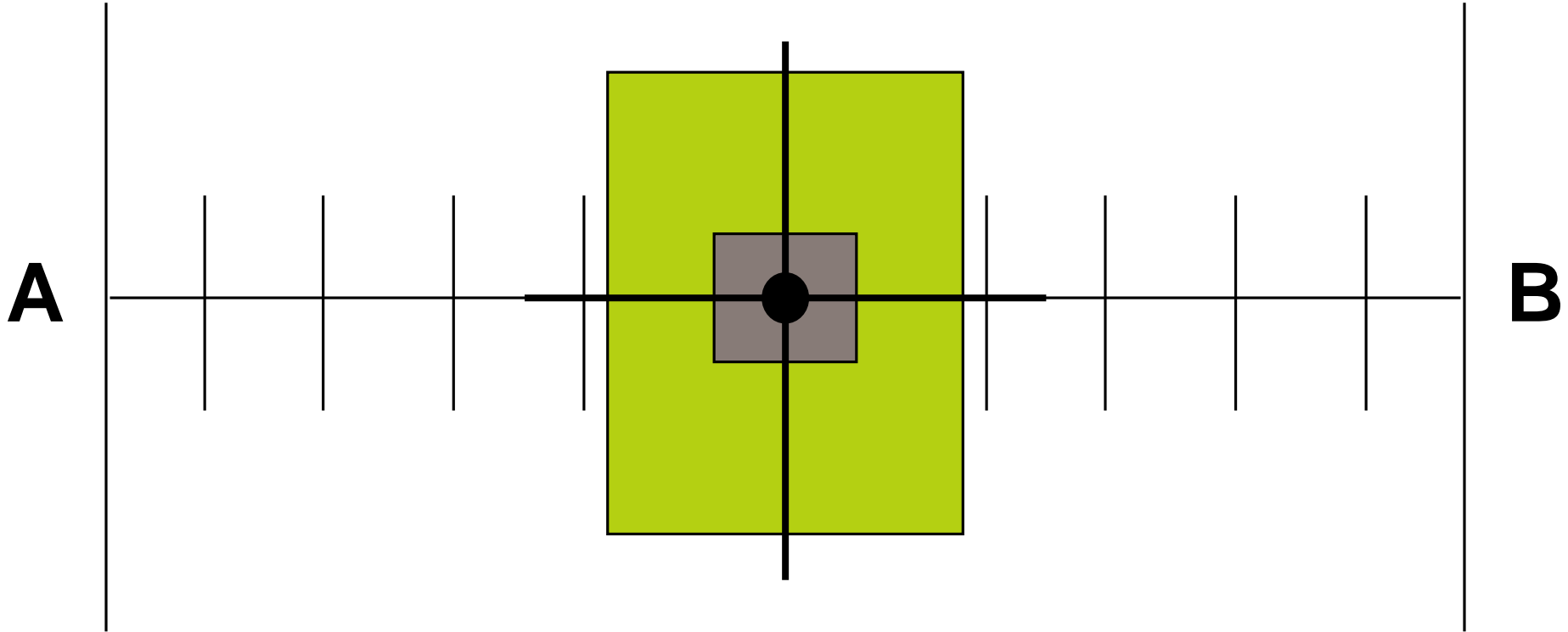
(collaborative integrative interest-based bargaining)

TIMELINE OF NEGOTIATION CASCADE – PROBLEM IS THE ISSUE

- ▶ 1950's – Internet (basic)
- ▶ Mid 1990's – Drastic impact on culture and commerce as internet usage explodes
- ▶ 2018 – Email, Instant Messaging / VOIP / Skype / Facetime / Podcast / Webinar / Google / Twitter / Facebook / Windows / Tumblr / Yahoo
 - » 150-250 workplace negotiation activities per day / 4m+ per 38 year career /
20-40m+++ per lifetime
 - » (Up from 15-20 per day + approx. 300K life cycle)

INTUITIVE BEHAVIOUR

ZOPA



The average negotiator reaches agreement at the midpoint between the first reasonable offer and the first reasonable counter offer

PROBLEMS

- ▶ Sheer volume to be processed
- ▶ Availability cascade of information (and need to respond virtually by return)
- ▶ Default system is Distributive (system 1) versus Integrative (system 2)

TWO PRIMARY VARIABLES IN EVERY NEGOTIATION WE EVER DO TO BE CONSIDERED

Outcomes



Relationships

(Are there ever any negotiations that are relationship free?)

THE WAY AHEAD

1. Learn how to negotiate as a stand alone skill (not just a supplement to our core workplace skills)
2. Differentiate between system 1 versus system 2
3. Question your judgement, bias (it is more deficient than we think)
4. Process of analysis and validation / critical
5. Go slow to go fast
6. Take a structured approach ("thinking trumps instinct" mostly)

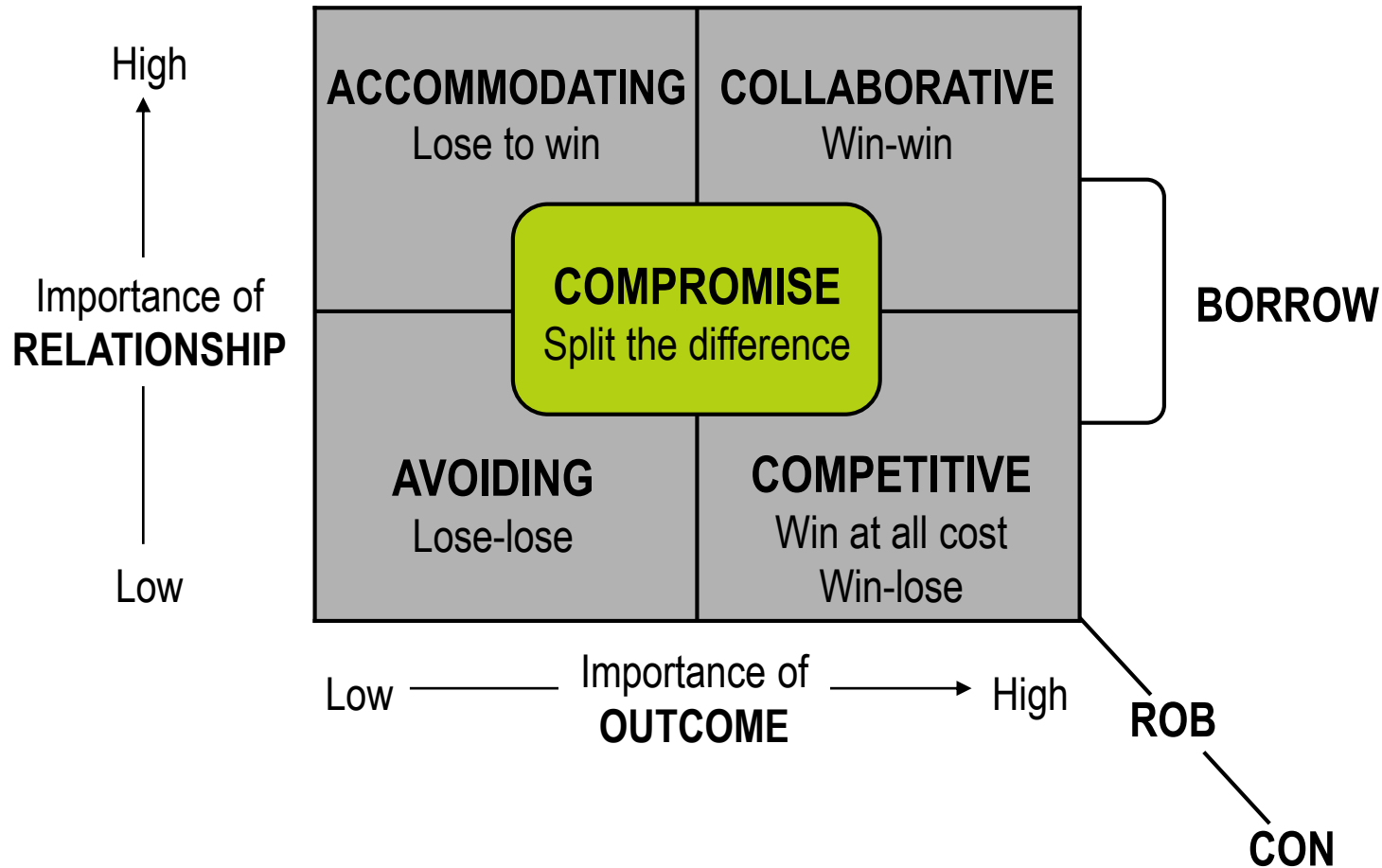
THE PRINCIPAL TENSIONS THAT WE MANAGE IN NEGOTIATION

1. Tension between principal and agent
2. Tension between empathy and assertiveness
3. Tension of managing time
4. Tension of trying to achieve a win-win outcome (definition of win-win: a negotiator who creates value not just distributes value)
5. The tension of trying to achieve synchronicity of behaviour
6. The tension of asymmetry of information

TIME-BASED RULES

1. The negotiator who is least affected by the deadline has the greater power in negotiation
2. Most deadlines are negotiable
3. Go slow to go fast
4. Good negotiations take time to mature
5. Open ended negotiations rarely work effectively
6. Good negotiators take up all the allotted time for a negotiation

SELECTING A STRATEGY



34 CHARACTERISTICS OF AN EFFECTIVE NEGOTIATOR

Score

1. Preparation and planning skill _____
2. Knowledge of the subject _____
3. Ability to think clearly and rapidly under pressure and uncertainty _____
4. Ability to express thoughts verbally _____
5. Listening skill _____
6. Judgement and general intelligence _____
7. Integrity _____
8. Ability to persuade others _____
9. Patience _____
10. Decisiveness _____

34 CHARACTERISTICS OF AN EFFECTIVE NEGOTIATOR

11. Ability to win respect and confidence of opponent
12. General problem-solving and analytical skills
13. Self-control, especially of emotions and their visibility
14. Insight into others' feelings
15. Persistence and determination
16. Ability to perceive and exploit available power to achieve objective
17. Insight into hidden needs and reactions of own and opponent's organisation
18. Ability to lead and control members of own team or group
19. Previous negotiating experience
20. Personal sense of security

34 CHARACTERISTICS OF AN EFFECTIVE NEGOTIATOR

21. Open-mindedness (tolerance of other viewpoints)
22. Competitiveness (desire to compete and win)
23. Skill in communicating and coordinating various objectives within own organisation
24. Debating ability (skill in parrying questions and answers across the table)
25. Willingness to risk being disliked
26. Ability to act out skillfully a variety of negotiating roles or postures
27. Status or rank in organisation
28. Tolerance to ambiguity and uncertainty
29. Skill in communicating by signs, gestures and silence (non-verbal language)

34 CHARACTERISTICS OF AN EFFECTIVE NEGOTIATOR

Score

30. Compromising temperament

31. Attractive personality and sense of humour (degree to which people enjoy being with the person)

32. Trusting temperament

33. Willingness to take somewhat above-average business or career risks

34. Willingness to employ force, threat or bluff

1st column	
2nd column	
Total	

FURTHER READING

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TMA Partners

PARTNERS

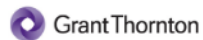
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Next Week's TMA Webinar



Next week's topic

Taming The Tiger: The Restructuring Of Tiger Resources Ltd
15 July, 2020

