Approaches to Negotiation

Negotiation is a means of resolving differences between people. In the process of negotiation, not only are different opinions taken into account, but also individual needs, aims, interests and differences in background and culture.

**The Win-Lose Approach to Negotiation**

Negotiation is sometimes seen in terms of ‘getting your own way’, ‘driving a hard bargain’ or ‘beating off the opposition’. While in the short term bargaining may well achieve the aims for one side, it is also a Win-Lose approach. This means that while one side wins the other loses and this outcome may well damage future relationships between the parties. It also increases the likelihood of relationships breaking down, of people walking out or refusing to deal with the ‘winners’ again and the process ending in a bitter dispute. Win-Lose bargaining is probably the most familiar form of negotiating that is undertaken. Individuals decide what they want, then each side takes up an extreme position, such as asking the other side for much more than they expect to get. Through haggling – the giving and making of concessions – a compromise is reached, and each side’s hope is that this compromise will be in their favour. While this form of bargaining may be acceptable in the used car market, and even expected in some cultures, for most situations it has drawbacks. These drawbacks can have serious consequences if applied to social situations. For example, win-lose negotiation: May serve to turn the negotiation into a conflict situation, and can serve to damage any possible long-term relationship. Is essentially dishonest – both sides try to hide their real views and mislead the other. Reaches a compromise solution which may not have be the best possible outcome – there may have been some other agreement that was not thought of at the time - an outcome that was both possible and would have better served both parties. Agreement is less likely to be reached as each side has made a public commitment to a particular position and feels they must defend it, even though they know it to be an extreme position originally. While there are times when bargaining is an appropriate means of reaching an agreement, such as when buying a used car, generally a more sensitive approach is preferable. Negotiation concerning other people’s lives is perhaps best dealt with by using an approach which takes into account the effect of the outcome on thoughts, emotions and subsequent relationships. You may find our page on emotional intelligence helpful.

**The Win-Win Approach to Negotiation**

Many professional negotiators prefer to aim towards what is known as a Win-Win solution. This involves looking for resolutions that allow both sides to gain.

In other words, negotiators aim to work together towards finding a solution to their differences that results in both sides being satisfied. Key points when aiming for a Win-Win outcome include:

* Focus on maintaining the relationship - ‘separate the people from the problem’.
* Focus on interests not positions.
* Generate a variety of options that offer gains to both parties before deciding what to do.
* Aim for the result to be based on an objective standard.
* Focus on Maintaining the Relationship

This means not allowing the disagreement to damage the interpersonal relationship, not blaming the others for the problem and aiming to confront the problem not the people. This can involve actively supporting the other individuals while confronting the problem. Disagreements and negotiations are rarely ‘one-offs’. At times of disagreement, it is important to remember that you may well have to communicate with the same people in the future. For this reason, it is always worth considering whether ‘winning’ the particular issue is more important than maintaining a good relationship.

**The Lose- Lose Approach to Negotiation**

In this approach both the parties feel that if the negotiated agreement were to be accepted in its proposed form they would both end up as losers. Even though this is not the initial feelings with which negotiation begins. But somewhere down the line one party gets the feeling that other party is being u unreasonable and blocking the negotiation process.

**The Compromise Approach to Negotiation**

Compromise is a basic negotiation process in which both parties give up something that they want in order to get something else they want more. Compromises usually occur in win-lose situations -- when there is a fixed pie to be divided up, and whatever one side gets, the other side loses. Useful when time is a concern or there is a strong relationship between the parties. Requires concessions from both sides to find agreement. Does not focus on legitimate or fair standards for settlement and instead utilizes “Meet in the middle,” or “Split the difference” solutions

**BATNA**

BATNA is a term coined by Roger Fisher and William Ury in their 1981 bestseller, Getting to Yes: Negotiating Without Giving In. It stands for "BEST ALTERNATIVE TO A NEGOTIATED AGREEMENT." Said another way, it is the best you can do if the other person refuses to negotiate with you. BATNAs are critical to negotiation because you cannot make a wise decision about whether to accept a negotiated agreement unless you know what your alternatives are. If you are offered a used car for $7,500, but there's an even better one at another dealer for $6,500--the $6,500 car is your BATNA. Another term for the same thing is your "walk away point." If the seller doesn't drop her price below $6,500, you will WALK AWAY and buy the other car. Your BATNA "is the only standard which can protect you both from accepting terms that are too unfavourable and from rejecting terms it would be in your interest to accept." In the simplest terms, if the proposed agreement is better than your BATNA, then you should accept it. If the agreement is not better than your BATNA, then you should reopen negotiations. If you cannot improve the agreement, then you should at least consider withdrawing from the negotiations and pursuing your alternative (though the relational costs of doing that must be considered as well). If you have a BATNA, it will help you to overcome deadlocks. Having a good BATNA increases your negotiating power. If you know you have a good alternative, you do not need to concede as much, because you don't care as much if you get a deal. You can also push the other side harder. If your options are slim or non-existent, the other person can make increasing demands, and you'll likely decide to accept them--because you don't have a better option, no matter how unattractive the one on the table is becoming. Therefore, it is important to improve your BATNA whenever possible. If you have a strong one, it is worth revealing it to your opponent. If you have a weak one, however, it is better to keep that detail hidden.