

Second Announcement

English final exam will be on January 16th, 2018

Negotiation in English

I. WHAT IS NEGOTIATION?

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument. In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organization they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Specific forms of negotiation are used in many situations:

- International affairs,
- The legal system,
- Government,
- Industrial disputes or
- Domestic relationships

as examples.

However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.

Negotiation can be a structured process using many different interpersonal skills.

Following are tips from English Club, the world's premier free website for learners and teachers of English. This Article on Skills You Need is helping you develop life skills and aims to:

- Describe the common stages in the process of negotiation.
- Describe the different types of negotiation.
- Outline key points for successful negotiation.
- Explain the difference between interests and positions.
- Recognize why effective communication is essential to negotiation.

Why Negotiate?

It is inevitable that, from time-to-time, conflict and disagreement will arise as the differing needs, wants, aims and beliefs of people are brought together. Without negotiation, such conflicts may lead to argument and resentment resulting in one or all of the parties feeling dissatisfied. The point of negotiation is to try to reach agreements without causing future barriers to communications.

Stages of Negotiation

In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can

come together. The process of negotiation includes the following stages:

- Preparation
- Discussion
- Clarification of goals
- Negotiation towards a WIN-WIN situation
- Agreement
- Implementation of a course of action

1. Preparation

Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend. Setting a limited timescale can also be helpful to prevent the disagreement continuing.

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position. In the work example above, this would include knowing the 'rules' of your organization, to whom help is given, when help is not felt appropriate and the grounds for such refusals. Your organization may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessary wasting time during the meeting.

2. Discussion

During this stage, individuals or members of each side put forward the case as they see it, that is their understanding of the situation.

Key skills during this stage are questioning, listening and clarifying. Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification. It is extremely important to listen, as when disagreement takes place it is easy to make the mistake of saying too much and listening too little.

Each side should have an equal opportunity to present their case.

3. Clarifying Goals

From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified. It is helpful to list these in order of priority. Through this clarification it is often possible to identify or establish common ground.

4. Negotiate for a WIN-WIN Outcome

This stage focuses on what is termed a WIN-WIN outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration. A WIN-WIN outcome is usually the best outcome, however it may not always be possible but through negotiation it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point.

Compromises are often positive alternatives which can often achieve greater benefit for all concerned rather than holding to the original positions.

5. Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered. It is essential to keep an open mind in order to achieve a solution. Any agreement needs to be made perfectly clear so that both sides know what has been decided.

6. Implementing a Course of Action (=mettre en œuvre un plan d'action)

From the agreement, a course of action has to be implemented, to carry through the decision.

Failure to Agree: If the process of negotiation breaks down and agreement cannot be reached, then re-scheduling a further meeting is called for. This avoids all parties becoming embroiled in heated discussion or argument, which not only wastes valuable time but can also damage future working relationships.

At the subsequent meeting, the stages of negotiation should be repeated. Any new ideas or interests should be taken into account and the situation looked at afresh. At this stage it may also be helpful to look at other alternative solutions and/or bring in another person to mediate.

Informal Negotiation: Apart from situations when it is appropriate to employ this more formal process of negotiation, you will no doubt encounter one-to-one situations where there is a need to negotiate informally. At such a time when a difference of opinion arises, it might not be possible or appropriate to go through the stages set out above in a formal manner. Nevertheless, remembering the key points in the stages of formal negotiation may be very helpful in a variety of informal situations.

A frame work for negotiation

In any negotiation, the following three elements should always be taken into account:

- Attitudes
- Interpersonal Skills
- Knowledge

Attitudes

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Always be aware that:

- Negotiation is not an arena for the realization of individual achievements.
- There can be resentment of the need to negotiate by those in authority.
- Certain features of negotiation may influence a person's behavior, for example some people may become defensive.

Interpersonal Skills

There are many interpersonal skills required in the process of negotiation which are useful in both formal settings and in less formal one-to-one situations.

Reference to the following skills, as well as others, are to be found on Skills You Need:

- Communication
- Listening
- Reflecting, Clarifying and Summarizing
- Problem Solving
- Decision Making
- Assertiveness
- Stress Management
- Dealing with Aggression

Knowledge

The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.

The way issues are negotiated must be understood as negotiating will require different methods in different situations.

Negotiation in Action

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.

WIN-LOSE (Bargaining) Versus the WIN-WIN Approach

Negotiation is sometimes seen in terms of:

- 'getting your own way',
- 'driving a hard bargain' or
- 'beating off the opposition'.

Negotiation: WIN-LOSE approach

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 (=marchandage) – the giving and making of concessions – a compromise is reached, and each side's hope is that this compromise will be in their favor.

A typical example is haggling over the price of a car:

"What do you want for it?"

"I couldn't let it go for under £2,000."

"I'll give you £1,000."

"You must be joking."

"Well, £1,100 and that's my limit."

"£1,900" ... "£1,300" ... "£1,700" ... "£1,500" ... "Done."

Both parties need assertiveness skills to be able to barter or haggle effectively.

While this form of bargaining may be acceptable in the used car market, for most situations it has drawbacks. These can have serious consequences if applied to social situations.

For example:

- It may serve to turn the negotiation into a conflict situation, and can serve to damage any possible long-term relationship.
- It is essentially dishonest – both sides try to hide their real views and mislead the other.
- The compromise solution may have not been the best possible outcome – there may have been some other unthought-of agreement that was possible and would better serve both parties.
- Agreement is less likely to be reached as each side has made a public commitment to a particular position and feel 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.

Negotiation: The WIN-WIN Approach

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. Negotiators aim to work together towards finding solution to their differences that result 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.

1. 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. Remember, separate the people from 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.*

All too often disagreement is treated as a personal affront. Rejecting what an individual says or does is seen as rejection of the person. Because of this, many attempts to resolve differences degenerate into personal battles or power struggles with those involved getting angry, hurt or upset.

Remember negotiation is about finding an agreeable solution to a problem, not an excuse to undermine (=leser) others, therefore, to avoid negotiation breaking down into argument, it is helpful to consciously separate the issues under dispute from the people involved. For example, it is quite possible to hold people in deep regard, to like them, to respect their worth, their feelings, values and beliefs, and yet to disagree with the particular point they are making. One valuable approach is to continue to express positive regard for an individual, even when disagreeing with what he/she is saying.

The following are examples of statements that might be used by a good negotiator:

- "You've expressed your points very clearly, I can now appreciate your position. However..."

- "It's clear that you are very concerned about this issue, as I am myself. Yet from my viewpoint..."

Another way of avoiding personal confrontation is to avoid blaming the other party for creating the problem. It is better to talk in terms of the impact the problem is having personally, or on the organisation or situation, rather than pointing out any errors.

Instead of saying:

- "You're making me waste a lot of time by carrying on with this argument,"

the same point could be presented as,

- "I'm not able to spend a lot of time on this problem, I wonder if there's any way we could solve it quickly?"

By not allowing 'disagreements over issues' to become 'disagreements between people', a good relationship can be maintained, regardless of the outcome of the negotiation.

Focus on Interests not Positions

Rather than focusing on the other side's stated position, consider the underlying interests they might have. What are their needs, desires and fears? These might not always be obvious from what they say. When negotiating, individuals often appear to be holding on to one or two points from which they will

not move.

For example, in a work situation an employee might say “I am not getting enough support” while the employer believes that person is getting as much support as they can offer and more than others in the same position. However, the employee's underlying interest might be that he or she would like more friends or someone to talk to more often. By focusing on the interests rather than the positions, a solution might be that the employer refers the employee to a befriending organization so that his or her needs can be met.

2. Focusing on interests is helpful because:

- It takes into account individual needs, wants, worries and emotions.
- There are often a number of ways of satisfying interests, whereas positions tend to focus on only one solution.
- While positions are often opposed, individuals may still have common interests on which they can build.

Most people have an underlying need to feel good about themselves and will strongly resist any attempt at negotiation that might damage their self-esteem. Often their need to maintain feelings of self-worth is more important than the particular point of disagreement. Therefore, in many cases, the aim will be to find some way of enabling both sides to feel good about themselves, while at the same time not losing sight of the goals.

If individuals fear their self-esteem is at risk, or that others will think less highly of them following negotiation, they are likely to become stubborn and refuse to move from their stated position, or become hostile and offended and leave the discussion.

Understanding the emotional needs of others is an essential part of understanding their overall perspective and underlying interests. In addition to understanding others' emotional needs, understanding of your own emotional needs are equally important. It can be helpful to discuss how everyone involved feels during negotiation.

Another key point is that decisions should not be forced upon others. This is a negotiation. Both sides will feel much more committed to a decision if they feel it is something they have helped to create and that their ideas and suggestions have been taken into account. Finally, it is important to clearly express your own needs, desires, wants and fears so that others can also focus on your interests.

3. Generate a Variety of Options that Offer Gains to Both Sides Before Making Decisions

Rather than looking for one single way to resolve differences, it is worthwhile considering a number of options that could provide a resolution and then to work together to decide which is most suitable for both sides. Techniques such as brainstorming could be used to generate different potential solutions. In many ways, negotiation can be seen as a problem solving exercise, although it is important to focus on all individuals' underlying interests and not merely the basic difference in positions.

Good negotiators will spend time finding a number of ways of meeting the interests of both sides rather than meeting self-interest alone and then discussing the possible solutions.

4. Aim for the Result to be Based on an Objective Standard

Having identified and worked towards meeting shared interests, it is often inevitable that some differences will remain. Rather than resorting to a confrontational bargaining approach, which may leave individuals feeling let-down or angry, it can be helpful to seek some fair, objective and independent means of resolving the differences. It is important that such a basis for deciding is:

Acceptable to both parties.

Independent to both parties.

Can be seen to be fair.

If no resolution can be reached, it may be possible to find some other, independent party whom both sides will trust to make a fair decision.

Other sources of help who might assist in situations which cannot be resolved include:

A mutual friend or colleague

A committee member

A trained mediator

Before turning for help from such sources however it is important to agree that this approach is acceptable to both sides.

Avoiding misunderstanding

Misunderstanding is a common cause of negotiations breaking down. Because of differences of viewpoint, background, and cultures, it is possible not to 'hear' what others intend to say. Because misunderstandings can easily occur, it is important to:

Clarify individual goals.

State the issues clearly.

Consider all viewpoints.

Clarifying meaning.

Clarify the Goals

It is essential to have a clear understanding of what the other side is seeking to achieve. This is not always what they initially state as their aims. Looking at interests often allows for an understanding of the real goals. Similarly, it is worthwhile clearly stating what your own goals are so that both parties can work together to seek mutual benefit.

State the Issues Clearly

It is important to identify the real issues involved and discard those that are not relevant. This enables the focus of the negotiation to remain firmly fixed on the interests and differences of the individuals involved, without argument spreading to other areas of work.

Consider all Viewpoints

During negotiation, a great deal of time can be spent in establishing the facts. However, it should be realized that 'facts' tend to provide another area over which to disagree. Another person's worries, even if totally unfounded, are still real worries and need to be taken into consideration.

Conflicts often arise because of differences in personal viewpoints. Remember that to accept and understand someone else's viewpoint does not imply agreement with that point of view. Rather, it shows respect for the person and the wish to work together to find a mutually satisfactory solution. Similarly, it is helpful to encourage the other person to understand your viewpoint. An open, honest and accepting discussion of the differences in perspective will often help to clarify the issues and provide the way forward to a resolution.

Clarify Meaning

Good communication skills are essential for negotiation. Such skills include active listening, questioning, reflecting, clarifying, summarizing and considering barriers to communication, feedback and non-verbal communication and all help to increase understanding. This in turn will increase the possibility of successful negotiation and, most importantly, maintain the relationship for the future. Spending time to clarify and agree what all individuals have said (rather than assuming what they intended to say), will ensure that misunderstanding of meaning is kept to a minimum.

Offering your viewpoint in an assertive manner, rather than taking an aggressive stance, or passively listening to different views will help to ensure the needs of all concerned are met.

Finally,

Negotiation Skills

Negotiation is a process by which people resolve disagreements. Structured negotiation follows a number of stages from preparation through to implementation. If possible, a WIN-WIN approach is more desirable than a bargaining (WIN-LOSE) approach. This involves seeking resolutions that allow both sides to gain, while at the same time maintaining good working relationships with the other parties involved.

II. CASE STUDIES

Vocabulary, language, skills and tactics for negotiating in English. With case studies.

One of the most important skills anyone can hold in daily life is the ability to negotiate. In general terms, a negotiation is a resolution of conflict. We enter negotiations in order to start or continue a relationship and resolve an issue. Even before we accept our first jobs, or begin our careers, we all learn how to negotiate. For one person it begins with the negotiation of an allowance with a parent. For another it involves negotiating a television schedule with a sibling. Some people are naturally stronger negotiators, and are capable of getting their needs met more easily than others. Without the ability to negotiate, people break off relationships, quit jobs, or deliberately avoid conflict and uncomfortable situations. In the world of business, negotiating skills are used for a variety of reasons, such as:

- to negotiate a salary or a promotion,
- to secure a sale, or
- to form a new partnership.

Here are a few examples of different types of negotiations in the business world:

- Manager and Clerk: Negotiating a promotion
- Employer and Potential Employee: Negotiating job benefits
- Business Partner A and B: Making decisions about investments
- Company A and Company B: Negotiating a merger
- Customer and Client: Making a Sale

The Art of Negotiating

Negotiating is often referred to as an "art". While some people may be naturally more skillful as negotiators, everyone can learn to negotiate. And, as they often say in business, everything is negotiable. Some techniques and skills that aid people in the negotiating process include:

- Aiming high
- Visualizing the end results
- Treating one's opponent with respect and honesty
- Preparing ahead of time
- Exhibiting confidence

Throughout this lesson, we will review important techniques and skills to learn before negotiating. We will also examine certain tactics your opponents may use at the negotiating table. These pages are designed to prepare you for negotiating in English in the business world, but they will also help you

achieve your goals in everyday life.

Case Study

For the purpose of this lesson, we will follow the negotiations taking place at a fictional company called Landscape Labourers.

Markus, a landscaper who has been with this company for five years, believes he is underpaid. He also thinks he deserves more seniority over his crew members. Markus's manager, Louis is also the owner of Landscape Labourers. Though Louis values Markus more than any of his other labourers, he isn't sure that he can afford to pay him more, especially at this time of year when work is unsteady.

Read through the lesson and find out how Markus prepares his case and presents it to management, and how the two parties negotiate and achieve their goals.

Vocabulary

Word	Meaning	Example Sentence
<u>alternatives</u>	other options	We can't offer you the raise you requested, but let's discuss some other <i>alternatives</i>
<u>amplify</u>	expand; give more information	Could you <i>amplify</i> on your proposal please.
<u>arbitration</u>	conflict that is addressed by using a neutral 3rd party	We're better to settle this between us, because a formal <i>arbitration</i> will cost both of us money.
<u>bargain</u>	try to change a person's mind by using various tactics	We <i>bargained</i> on the last issue for over an hour before we agreed to take a break.
<u>bottom-line</u>	the lowest one is willing to go	I'll accept a raise of one dollar per hour, but that's my bottom-line.
<u>collective</u>	together	This is a collective concern, and it isn't fair to discuss it without Marie present.
<u>compensate</u>	make up for a loss	If you are willing to work ten extra hours a week we will compensate you by paying you overtime.
<u>comply</u>	agree	I'd be willing to comply if you can offer me my own private office.
<u>compromise</u>	changing one's mind/terms slightly in order to find a resolution	We are willing to compromise on this issue because it means so much to you.
<u>concession</u>	a thing that is granted or accepted	I think we can offer all of these concessions, but not all at once.
<u>conflict resolution</u>	general term for negotiations	It is impossible to engage in conflict resolution when one of the parties refuses to listen.
<u>confront</u>	present an issue to someone directly	I confronted my boss about being undervalued and we're going to talk about things on Monday.
<u>consensus</u>	agreement by all	It would be great if we could come to a consensus by 5:00 P.M.
<u>cooperation</u>	the working together	I have appreciated your cooperation

		throughout these negotiations.
<u>counter proposal</u>	the offer/request which is presented second in response to the first proposal	In their counter proposal they suggested that we keep their company name rather than creating a new one.
<u>counterattack</u>	present other side of an issue	Before we could start our counterattack they suggested we sign a contract.
<u>counterpart</u>	person on the other side of the negotiations	I tried to close the discussions at noon, but my counterpart would not stop talking.
<u>cordially</u>	politely	In the past I have had little respect for that client, but today she spoke cordially and listened to my point of view.
<u>demands</u>	needs/expectations that one side believes it deserves	They had some last minute demands that were entirely unrealistic.
<u>deadlock</u>	point where neither party will give in	When the discussions came to a deadlock we wrote up a letter of intent to continue the negotiations next week.
<u>dispute</u>	argument/conflict	I was hoping to avoid discussing last year's dispute, but Monica is still holding a grudge.
<u>dominate</u>	have the most control/stronger presence	Max has such a loud voice, he tends to dominate the conversations.
<u>entitled</u>	be deserving of	My contract says that I am entitled to full benefits after six months of employment.
<u>flexible</u>	open/willing to change	We have always been flexible in terms of your working hours.
<u>haggling</u>	arguing back and forth(often about prices)	We've been haggling over this issue for too long now.
<u>hostility</u>	long-term anger towards another	I want you to know that we don't have any hostility towards your company despite last year's mixup.
<u>high -ball</u>	make a request that is much higher than you expect to receive	I'm planning to high-ball my expectations when I open the discussion.
<u>impulse</u>	quick decision without thought or time	I acted on impulse when I signed that six-month contract.
<u>indecisive</u>	has difficulty choosing/making a decision	They were so indecisive we finally asked them to take a break and come back next week.
<u>leverage</u>	(bargaining power) something that gives one party a greater chance at succeeding over another	We have a little bit of leverage because we are the only stationary company in town.
<u>log-rolling</u>	trading one favour for another	After a bit of log-rolling we came to an agreement that pleased both of us.
<u>low-ball</u>	offer something much lower than you think the opponent will ask for	I was expecting my boss to low-ball in the initial offer, but he proposed a fair salary increase.

<u>mislead</u>	convince by altering or not telling the whole truth about something	They misled us into thinking that everything could be resolved today.
<u>mutual</u>	agreed by both or all	The decision to call off the merger was mutual.
<u>objective</u>	goal for the outcome	My prime objective is to have my family members added to my benefits plan.
<u>point of view</u>	person's ideas/ thoughts	From my point of view it makes more sense to wait another six months.
<u>pressure</u>	work hard to convince another of an idea	He pressured me to accept the terms by using intimidation tactics.
<u>proposal</u>	argument to present	While I listened to their proposal I noted each of their objectives.
<u>receptive</u>	open to/interested in an idea	His positive body language demonstrated that he was receptive to our suggestions.
<u>resentment</u>	anger held onto from a previous conflict	Mary's resentment stems from our not choosing her to head the project.
<u>resistance</u>	a display of opposition	We didn't expect so much resistance on the final.
<u>resolve</u>	end conflict, come to an agreement	Before you can resolve your differences you'll both to calm down.
<u>tactics</u>	strategies used to get one's goals met	There are certain tactics that all skillful negotiators employ.
<u>tension</u>	feeling of stress/anxiety caused by heavy conflict	There was a lot of tension in the room when George threatened to quit.
<u>trade-off</u>	terms that are offered in return for something else	Lower payments over a longer period of time like a fair trade-off until we asked about interest charges.
<u>ultimatum</u>	a final term that has serious consequences if not met	His ultimatum was that if I didn't agree to give him the raise he asked for, he'd quit today without two week's notice.
<u>unrealistic</u>	very unlikely to happen	It's unrealistic to think that we will have all of our demands met.
<u>victory</u>	a win	We considered it a victory because they agreed to four of our five terms.
<u>yield</u>	to give in to another's requests	The client will only yield to our conditions, if we agree to work over the holiday weekend.

Preparing to Negotiate

Lack of preparation in a negotiation almost always sets a person up for failure.

First and foremost, each party must clearly define their own goals and objectives.

Secondly, each party must anticipate the goals of the opposition. This may require doing some background research.

Finally, each party must come up with various alternatives to their main objectives.

Markus Prepares to Negotiate with Louis

Markus approaches Louis after his shift on Friday afternoon.

He asks if he can arrange a meeting to discuss a potential promotion. Louis sighs and reminds Markus that they already had this discussion last year. Markus agrees, but reminds Louis of his loyalty to the company and insists that they speak again on the subject next week. Eventually Louis, who is afraid that Markus might quit on the spot, agrees to meet on Monday during the crew's lunchhour.

Over the weekend, Markus thinks about Monday's meeting.

Last year, he was unprepared to negotiate and ended up only getting a 50 cent/hour pay raise. This did not satisfy him, and he has continued to feel undervalued ever since. Many times, after a hard day at work, Markus has considered quitting. However, it is difficult to find work in the middle of winter.

Markus has a family to support and he can't afford to lose his job.

Markus decides to do some research on negotiating.

He learns the principles behind collaborative negotiating, and decides that this is the approach he will take this time. After he has understood the concept he can ask himself the preparatory questions above. Finally, he can apply the rules of collaborative negotiating to his own case.

Here are some preparatory questions to ask yourself before beginning talks with the other party:

- What is my main objective?
- What are all of the alternatives I can think of?
- Why do I deserve to have my goals met?
- What will my opponent's counter proposal likely consist of?
- How can I respond to this counter proposal?
- When would I like to have this issue resolved?
- What is my bottom-line?
- What market research/homework do I need to do to back up my cause?
- What is my bargaining power compared to my opponent's?
- What do I know about the principles of negotiating?

Markus Answers the Preparatory Questions

My **main objective** is to be named crew foreman and to earn a salary that is competitive with other foremen in the area.

Alternatives include looking for work elsewhere, asking for a dollar more an hour, suggesting that Louis hire someone else to take on extra duties.

I **deserve** this promotion because:

- I have worked with Landscape Labourers for five consecutive years, and have received many compliments from satisfied clients.
- I am the team member who reports early every morning and leaves last.
- If we are under a deadline, I work through my lunchhour.
- All of the other team members come to me with their questions.

Louis will likely say that he **can't afford to pay** me more because business is slow in the winter. He will say that there are plenty of qualified labourers who will do the work for less money.

Both of these arguments are probably true. Landscape Labourers lost a lot of money last year due to poor weather. There were a few weeks that we couldn't work, but Louis had to pay us anyway because of our contracts. And, unemployment is at an all time high in our region. However, Louis just **signed a contract with a new company** that will mean regular work for at least the next two years. Also, the other

team members **rely on me**, and none of them have the experience to take over my position if I quit. It will cost Louis a lot of money to train a new landscaper to do everything that I do.

I understand that winter is tough on this business, so I would like to have this issue resolved by **spring**. My **bottom-line** is to receive an extra dollar an hour and to be named team manager.

I will **look into three other local landscaping businesses** and inquire about the salary and benefits of its employees. I will also review the classified ads to see if any other companies are hiring or looking for a foreman.

I think Louis and I have **equal bargaining power** right now. None of the other current members of our team are as committed to the job as I am. However, unemployment is high and there are other people he could hire.

I have never been a strong negotiator. I need to **learn** more about negotiating strategies and tactics.

Collaborative Negotiating

In business, the goal of negotiating parties should always be for mutual gain. This type of win-win negotiation is often called collaborative negotiating.

The opposite of collaborative negotiating is called *competitive negotiating*. The goal of competitive negotiating is for one party to win and the other to lose. Dishonest practices, such as lying, manipulation, intimidation, and bribery are often used in this type of negotiation.

Main Principles of Collaborative Negotiating:

- Resolve previous conflicts ahead of time
- Deal with issues, not personalities
- Commit to listening more than speaking:

The more you know about your counterpart, the more likely you will achieve your goals. You cannot convince someone of something when you do not know anything about them, or what their own needs are. A common mistake is to prepare one's next question or point while the opponent is speaking.

- Establish trust in the onset
- Develop a common goal
- Discuss a common enemy
- Take opponent's views/needs into careful consideration:

Not only do you want to win this negotiation, you want your opponent to win as well, so that he or she will negotiate with you again in the future.

Markus Applies the Principles for Collaborative Negotiating

- I will not discuss the fact that I was only offered a 50 cent raise last year. It was my fault for not being prepared to negotiate.
- Even though I think Louis is lazy, and takes too many days off when we are busy, I will not point out his shortcomings. This is about my promotion, not his work ethic.
- I will first thank Louis for employing me for five consecutive years. I will tell him that the stable work has meant a lot to me and my family, and I appreciate the security, especially with so many people out of work.
- I will tell Louis that I think his company is one of the most respected landscape companies in the region, and ensure him that my goal is to have a lifelong career at Landscape Laborers.
- I will say that I hope I will never have to work for a company that does a poor job, such as Powell Designs.
- I will acknowledge that last year's weather was a problem and note that it is not anyone's fault that the company lost money.

Preparing to Negotiate a Job Offer

Negotiating a job offer should mean more than just saying, yes. Though being offered a job is an exciting time, it is also an important time to use your negotiating skills. Here are some issues you may want to raise before you accept:

- Salary
- Promotion Opportunities
- Insurance (medical, dental, accident, life)
- Holidays
- Vacation time
- Retirement/pension plans
- Stock options
- Overtime
- Expenses

The Negotiation Process

It's time to negotiate! Here are a few golden rules to successful negotiations:

- 1) Always try to **negotiate for at least 15 minutes**. Any less than that and it is unlikely that either party has had enough time to fairly consider the other side. Generally, the size or seriousness of the negotiation determines the amount of time needed to negotiate it. Setting a time limit is a good idea. Approximately 90% of negotiations get settled in the last 10% of the discussion.
- 2) Always **offer to let the other party speak first**. This is especially important if you are the one making a request for something such as a raise. The other party may have overestimated what you are going to ask for and may actually offer more than what you were going to request.
- 3) Always **respect and listen to what your opponent has to say**. This is important even if he or she does not extend the same courtesy to you. Do your best to remain calm and pleasant even if the other party is displaying frustration or anger. Remember some people will do anything to intimidate you.
- 4) **Acknowledge what the other party** says. Everyone likes to know that what they say is important. If the other party opens first, use it to your advantage, by paraphrasing what you have heard. Repeat their important ideas before you introduce your own stronger ones.
- 5) **Pay attention to your own and your counterpart's body language**. Review the chart below to learn how to interpret body language during the negotiations. Make sure that you aren't conveying any negative body language.

Language to use to show understanding/agreement on a point

- I agree with you on that point.
- That's a fair suggestion.
- So what you're saying is that you...
- In other words, you feel that...
- You have a strong point there.
- I think we can both agree that...
- I don't see any problem with/harm in that.

Language to use for objection on a point or offer

- I understand where you're coming from; however,...
- I'm prepared to compromise, but...
- The way I look at it...

The way I see things...
 If you look at it from my point of view...
 I'm afraid I had something different in mind.
 That's not exactly how I look at it.
 From my perspective...
 I'd have to disagree with you there.
 I'm afraid that doesn't work for me.
 Is that your best offer?

Body Language	Possible meaning
<u>Avoiding Eye Contact</u>	Lying Not interested Not telling the whole truth
<u>Serious Eye Contact</u>	Trying to intimidate Showing anger
<u>Touching the face/fidgeting</u>	Nervousness Lack of confidence Submission
<u>Nodding</u>	Agreeing Willing to compromise
<u>Shaking the head/turning away</u>	Frustrated In disbelief Disagreeing with a point

Markus Opens the Negotiations

It's finally lunchtime and Markus and Louis meet as planned. Markus offers for Louis to speak first, but Louis declines:

Markus: Thanks again for agreeing to meet today. I really appreciate you taking the time during your lunch.

Louis: Okay, well, let's get started. I'd like to resolve this as soon as possible so we can get back to work.

Markus: Great. Okay, well, if there's anything you'd like to say first, please be my guest.

Louis: Oh, no, I insist you go first. After all, you're the one who asked to meet with me.

Markus: Very well then. First of all I want you to know that I am fully aware of the challenges you have faced in running this company in the last few years. I understand that the poor weather last year ended up costing you and all of the local landscape companies a lot of money. However, I think you realize that I am unsatisfied with my current salary. I've been with Landscape laborers for 5 years now and there have been many other years that were profitable. Despite how much your business has grown, I'm making less than a dollar more than I was the day I started.

Louis: You're lucky to have a job in these times.

Markus: Yes, and I'm very thankful that you have employed me all this time, especially during the slow seasons when the company is struggling to make a profit. It means a lot to me to have that stability, which is why I have remained loyal to your company.

Louis: You haven't had much choice but to remain loyal, Markus. There are no jobs out there.

Markus: Well if you don't mind, I'd like to finish what I have to say and then you can let me know what your position is. As a matter of fact, there are a few companies hiring right now in our area. These are not all necessarily companies that I would be interested in working with. For example, you and I both know that I would never want to work for a company such as Powell Designs. I'd much prefer to be associated with a company like Landscape Labourers because we do a good job. Having said that, I took the liberty of calling a few other local companies to find out what type of salary packages they offer to their foremen.

Louis: Foremen? I don't have a foreman. I never have. It's not my style. Don't forget, you're a contract labourer just like the rest of the crew.

Markus: Yes, I thank you for bringing that up. Besides deserving a higher salary, one that is competitive with local companies, I also think that I deserve a new title. You and I both know that the crew looks to me as though I am a foreman, even though I don't have the title.

Louis: You don't have the title, but you also don't have the responsibility. It's a lot of work being a foreman.

Markus: Exactly. And you can't say that you haven't noticed me coming in earlier than the others and leaving later. I also designate jobs to all of the crew members each morning and call suppliers when needs arise. These are duties of a foreman, am I right?

Louis: I suppose. But a foreman also helps solve conflicts that arise within a team, and deals with customer complaints. You always pass those things on to me.

Markus: I agree with you on that. However, I would be willing to take on these extra responsibilities, should you offer me a foreman position at a rate of \$25.00 per hour.

Coming to a Close or Settlement

There are a number of signals that indicate that negotiations are coming to a close. This may not always mean that an agreement has been reached. In many cases, there are many rounds of negotiations. The preliminary round may uncover the major issues, while subsequent rounds may be needed to discuss and resolve them. Here are some signals of talks coming to a close:

- A difference of opinion has been significantly reduced

- One party suggests signing an agreement.

- One or both parties indicate that a period of time to pause and reflect is necessary.

Beware of last-minute strong-arm tactics

Even if you make the decision to treat your negotiating opponent with honesty and kindness, the other party may not extend you the same respect. Be prepared to stand your ground firmly, yet cordially, especially in the last few minutes of the negotiations. This is the time when manipulative parties may employ certain tactics in order to try to fool you into losing focus or lowering goals and standards.

Remember that conflicts are generally resolved in the last few minutes. The theory behind last minute tactics is that one party may be more willing to give in out of fear that all of the concessions or progress made up to that point (perhaps hours or weeks of talks) might be lost. People also get tired or have other commitments that need to be met, such as making an important phone call before another business closes, or picking up children from school.

Here are some *last minutes tricks* that negotiators often use at this time:

- Walking out of the room

- Offering a short-term bribe

- Telling you to take it or leave it

Giving an ultimatum

Abrupt change in tone (used to shock the other party into submission)

Introducing new requests (used at to get you to concede with little thought or consideration)

Stating generalizations without evidence (dropped without significant statistics/proof)

Adopting the Mr. Nice Guy persona (used to try to make it look like they are doing you a favour in hopes that you will lower your expectations)

Language to use in closing

It sounds like we've found some common ground.

I'm willing to leave things there if you are.

Let's leave it this way for now.

I'm willing to work with that.

I think we both agree to these terms.

I'm satisfied with this decision.

I think we should get this in writing.

I'd like to stop and think about this for a little while.

You've given me a lot to think about/consider.

Would you be willing to sign a contract right now?

Let's meet again once we've had some time to think.

Louis Signals an End to the Negotiations and Attempts some Last-minute Tactics

Louis: Look, we're running out of time here and I've barely had a bite of my lunch.

Markus: I know, and we have a lot of work to get done this afternoon.

Louis: Well, I guess we'll have to settle this at another time.

Markus: Actually, I'd really like to get this settled today. I know how busy you are, and it's not easy to get you to sit down and talk.

Louis: (standing up and getting ready to walk out of the room) Well, we're not getting anywhere.

Markus: Please sit down for a few more minutes so we can make a decision.

Louis: And what if I don't? Are you going to quit?

Markus: I am a loyal employee, and I believe that it is in the best of both of our interests to have this conflict resolved. This should only take a few more minutes.

Louis: Fine. You can be the foreman. I'll even change the title on your pay stub. But no raise.

Markus: I think you and I both know, that the raise is more important to me than the title itself.

Louis: You know, not very many owners would agree to give a person like you the title of foreman. You don't even have your proper certification.

Markus: You've said before that experience means more to you than education. Remember that guy Samuel that you hired. He had a four year diploma in landscape design but had never worked a day out on the fields. You let him go before his probation was up.

Louis: Oh, don't remind me of that kid.

Markus: Look, I'd be willing to accept \$24.00/hr, if you agree to review my salary again come spring.

Louis: Fine. I guess, that's fair. You are my best employee, right now at least.

Markus: Great, then, you won't mind changing my status to crew foreman. I won't disappoint you. Remember, I'm willing to take on the extra duties of a foreman, which will give you more time to find new clients.

Louis: Speaking of new clients. I'm expecting an important phone call in ten minutes, so let's wrap this up.

Markus: Well, I think we've both agreed on the terms. Can we shake on it? I mean, can I have your word that my new hourly wage will begin at the beginning of next month? (Markus holds out his hand.)

Louis: (Louis shakes it.) Okay, Mr. Foreman. Get back to work, would you. And, I'll need you to order all of the supplies for Monday.

Markus: Thanks, Louis. I'll get on that right now.

Formalize the agreement/negotiation

In most business negotiations it is a good idea to get something down in writing. Even if a decision has not been made, a letter of intent to continue the negotiations is often used. This is a way for each party to guarantee that talks will continue. A letter of intent often outlines the major issues that will be discussed in future negotiations. In some cases a confidentiality agreement is also necessary. This is a promise from both parties to keep information private between discussions. When an agreement has been decided, a formal contract may be required. On the other hand, depending on the seriousness of the decision, and the level of trust between the two parties, a simple handshake and verbal agreement may be all that is needed. For example, an employer may offer a promotion and an employee may trust that the new salary will be reflected on the next paycheck. However, even if nothing is put formally in writing, it is wise to send an e-mail or letter that verifies the terms and puts the agreement on record, especially when a specific number is decided on.

Sample E-mail

To: louis@landscapelabourers.com
From: markus@landscapelabourers.com
Subject: Today's Negotiation
Attachment: Site #345

Hi Louis

I just wanted to write and thank you for spending your lunch hour with me today. I'm pleased with how our talks went and am excited to take on my new role as crew foreman. Even though my new salary will not be put in place until the first of next month, I will begin my new duties immediately. The supplies for Monday's job (Site #345) have all been ordered, and the total of the invoice will be \$349.98, including tax and delivery. The crew has been assigned their tasks for Monday so we will be able to start as soon as we arrive. You will find a chart attached outlining who will be taking care of what and how long it should take us to have it completed. If you have any concerns, feel free to call me at home over the weekend.

Thanks again,

Markus