

## Negotiation and Influencing

Negotiation and influencing are key aspects of communication for managers and they should form a vital part of every leader's toolkit. Skills in these areas enable managers to:

- **Develop strong relationships** – by communicating effectively and connecting with their team members, leaders can foster trust and respect, and create a positive work environment
- **Resolve conflict** – when disagreements arise, leaders with strong negotiation skills can facilitate constructive dialogue, find common ground and reach mutually beneficial solutions
- **Drive change** – by influencing others to embrace new ideas and initiatives, leaders can inspire innovation, improve efficiency and achieve organisational goals
- **Build consensus** – when making important decisions, leaders should try to bring together diverse perspectives and build consensus – or agreement – among stakeholders, which helps to ensure buy-in and support
- **Motivate and inspire** – by effectively communicating their vision and inspiring others to follow, leaders can motivate their teams to higher levels of performance.

Although negotiation and influencing skills share some common characteristics, they are distinct concepts with their own unique dynamics and applications. Negotiation typically involves a formal process of bargaining to reach an agreement, often with a specific outcome in mind. Influencing, on the other hand, is a more subtle and ongoing process of shaping opinions, attitudes and behaviours through communication and the careful exercise of power and authority.

Effective leaders must be skilled in both and adapt their approach to the specific situation and desired outcome. By mastering these critical skills, leaders can navigate complex interpersonal dynamics, drive progress and help to achieve their organisational objectives.

### Negotiation

The Cambridge Dictionary defines negotiation as: “the process of discussing something with someone in order to reach an agreement with them”.<sup>1</sup>

Negotiations – the discussions themselves – are a regular occurrence in the lives of leaders and managers. Whether it is trying to agree objectives with team members, work out the details of collaborative projects with colleagues, or secure a better deal with a supplier – almost every day will see you engage in some form of negotiating.

Because it's such an important part of any leadership role, it's essential to approach negotiation in the correct way. Not only does this help you to get the best outcome for you and your company, but it also avoids the negative impacts that may arise from negotiations going wrong.

<sup>1</sup> Cambridge Dictionary (N.D.). Negotiation. Available at: <https://dictionary.cambridge.org/dictionary/english/negotiation> [Accessed 25 October 2024]

## Achieving a 'win-win' solution

The ideal outcome for any negotiation is for both sides to reach a mutually acceptable agreement. This is known as a 'win-win' because it leaves both parties feeling satisfied with what they've achieved through the process. The alternatives are a 'win-lose' outcome, in which one side comes away satisfied at the expense of the other, and 'lose-lose' – when neither party gets what they want.

You may think that coming out on the right side of a 'win-lose' outcome would be a good result. However, leaving the other party feeling as though they've been defeated can have negative impacts for you further down the line. This is particularly true if you have to negotiate with them again at a later date.

The key to successful negotiation is understanding that it's not a 'zero-sum game' – the point is not to win at the expense of the other party. Your goal should be agreement, not victory. Damaging relationships to secure short-term wins may lead to long-term losses.

## Successful negotiations

In their book 'Getting to Yes',<sup>2</sup> negotiation experts Roger Fisher and William Ury devised four principles for successful negotiation, in which both parties are able to act as problem-solvers, with the goal of a wise outcome reached efficiently and amicably. These principles are as follows.

- Separate people from problems

The idea behind this first principle is to remove emotion as much as possible. When feelings take over, negotiations can quickly get personal. So, putting the issue at the forefront will keep the conversation on track. As Fisher and Ury put it: "the participants should come to see themselves as working side by side, attacking the problem, not each other".<sup>3</sup>

- Focus on interests, rather than positions

In the second principle, the focus on interests is a reminder that sometimes an individual's negotiating position hides the real reasons behind why they've taken that position.

For example, imagine that a supplier won't agree to give you a discount because their quarterly sales figures were lower than expected, and a price reduction right now could prevent them from reaching their revenue target. If you know that they're not opposed in principle to giving you a discount, you may instead choose to wait to negotiate until the end of the next quarter because this could lead to a better outcome.

<sup>2</sup> Fisher, R., Ury, W. and Patton, B. (1991). Getting to yes: Negotiating agreement without giving in. 2nd edition. Boston, MA: Houghton Mifflin Harcourt.

<sup>3</sup> Fisher, R., Ury, W. and Patton, B. (1991). Getting to yes: Negotiating agreement without giving in. 2nd edition. Boston, MA: Houghton Mifflin Harcourt, p. 11.

So, understanding why a party is taking a particular position can help you to move to a workable solution – or change your strategy.

- Generate a variety of possible options

The point of this third principle is to explore all ideas that may satisfy both parties, not just settle for the easiest solution. This could result in a creative compromise, which might be the difference between success and failure.

For instance, the same supplier may be willing to give you a discount, but only if you increase the size of your order.

- Insist that the result be based on objective criteria

The fourth principle demands that the parties agree on the information that they will use to guide their decisions. Negotiations can break down if the two sides bring up different sets of facts to support their positions. A better strategy is to agree what criteria will be used and seek out the most objective evidence for it.

For example, if your supplier insists that they are already selling their products to you at a reasonable cost, but you believe they are overcharging, you could agree to bring in an outside expert to determine a fair market price.

## Influencing

The CMI defines influence as: “the ability to form, shift or alter the opinions and behaviour of others to bring them round to your way of thinking”.<sup>4</sup>

Influencing is a subtle art that involves understanding the other person’s perspective, building rapport and using persuasive techniques to guide them towards your desired outcome. It requires active listening, empathy and the ability to tailor your approach to the individual. Effective influencing can help you to gain buy-in, resolve conflicts and achieve your goals – ideally, without resorting to more forceful tactics. It’s a valuable skill for leaders, negotiators and anyone who needs to collaborate with others.

As a manager, influencing others involves using your power to inspire and motivate your team members and other people across the business. What this ‘power’ looks like may vary according to your position, the situation you find yourself in and your team’s dynamics. For example, in some circumstances you may be able to use your formal authority as the leader of a team to exert influence, while in others you may need to rely on other factors, such as your social standing or your expertise.

In 1959, social psychologists John French and Bertram Raven devised a model to identify the

<sup>4</sup> CMI (2015). Developing influencing skills. Checklist 276. Available at: <https://members.md.cmi.org.uk/Content/Display/82495> [Accessed 25 October 2024]

different forms of power that leaders can wield. Termed the 'Five Bases of Power', their model identified five separate and distinct platforms of influence. These are:

- **Legitimate power** – derived from having a formal right to power through position or status. For example, directors are able to wield considerable influence over staff due to their seniority in the organisation.
- **Reward power** – achieved by being able to compensate someone for compliant behaviour. For example, giving a team member a bonus for completing a project on time.
- **Coercive power** – using force, such as intimidation or the threat of punishment, to ensure compliance. This kind of power is often wielded by government 'whips', who organise a party's members of parliament (MPs) in the run-up to an important vote – MPs may face consequences if they do not follow their party's directives.<sup>5</sup> This kind of power can, however, be damaging to relationships and create a negative work environment.
- **Referent power** – a form of personal power that comes from being respected and admired by others. For example, a team may willingly work overtime for a manager who has demonstrated a strong work ethic themselves.
- **Expert power** – leaders seen to possess high levels of knowledge or skills can use this form of power to influence others.<sup>6</sup> For example, a manager who is a technical expert in product design might be able to influence a team's plans for a new product because the team knows that the manager is experienced and knowledgeable.

Six years later, French and Raven added a sixth base to their model – **informational power**. This stresses how the control of information can enhance an individual's position and ability to influence others.<sup>7</sup> For example, a manager with access to exclusive market data may be able to convince their team to change their strategy based on the insights that they have gathered.

When it comes to influencing others, your choice of tactic will depend on the situation, the relationship between you and the other person and the desired outcome. Effective influencing often involves a combination of these power bases to create a compelling case and gain buy-in. Ultimately, your goal is to shape opinions and behaviours in a way that benefits the organisation, while maintaining trust and collaboration. Skilled influencers are able to adapt their approach to the unique needs and motivations of each individual or group that they are trying to persuade.

<sup>5</sup> UK Parliament (N.D.). Whips. Available at: <https://www.parliament.uk/about/mps-and-lords/principal/whips/> [Accessed 25 October 2024]

<sup>6</sup> French, J. R. P., Jr. and Raven, B. (1960). The bases of social power, in Cartwright, D. P. and Zander, A. F. (eds.). Group dynamics: Research and theory. 2nd edition. New York, NY: Row, Peterson & Co, p. 150–167.

<sup>7</sup> Mind Tools (N.D.). French and Raven's five forms of power. Available at: <https://www.mindtools.com/abwzix3/french-and-ravens-five-forms-of-power> [Accessed 25 October 2024]