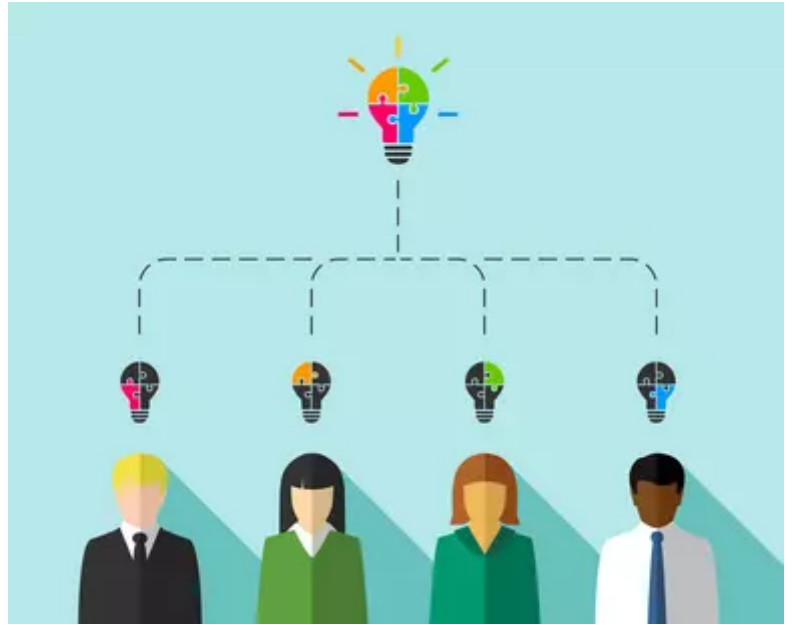


Multi-Party Negotiations (Part 1)



Summary: Part 1 of this article discusses the challenges imposed by multiple negotiators at the negotiation table.

Many business partnerships that are forged in today's increasingly specialised business milieu, often involves 3 or more partners who are co-joining into complex agreements. This bubbling stew pot of [positions](#), needs, and ambitions requires dexterous handling of the right ingredients. This ambitious blend makes the difference between savouring a rich and inviting texture of tastes, or storming out the door in disgust. It's a delicate balancing act where everyone is jostling, both delicately and aggressively, on the same high wire act, and all at the same time. Making it work and run smoothly requires a level head and keen vision.

The first part of this article tackles the dark mix of problems we may encounter. The second part of the article brings some light, to guide us along the high road to manage our way through this maze.

What Are The Differences?

When we have multiple people sitting at the table, there is greater potential for turbulence to seethe beneath the apparent calm. For one thing we will have more people jockeying and clamouring for attention. It can be a volatile mixture of mismatched representatives. Some negotiators may be acting as primary representatives, while others may be agents or third party negotiators who are acting on behalf of someone else, and may even have a separate and hidden agenda of their own.

We might have to brazen out the dilemma posed by the '*pecking order*' conundrum. Some negotiators may have a high level of executive status, while others are lower down in the corporate food chain with lesser status. Status can have meaningful implications as the authority levels of the representatives might be mismatched. This could result in a power struggle that might tie up the various discussions, that interplay throughout the discussions and at different levels. It is a complex drama where the actors may ad-lib their lines throughout the entire play, with mixed results.

The Information Puzzle

When we have more parties at the table, we will also face a multi prism of issues, viewpoints and perspectives. Like a demented chef madly throwing their ingredients into the pot, let us also add a multiple myriad of facts and figures, projections, expert opinions, and extraneous analysis into this culinary brew. We should be quite pleased to find the resulting mix eatable, while secretly being happy it didn't explode in our face. This is simply a melodramatic way of saying that [multiparty negotiations](#) are complex and challenging, given all the factors we have to consider and keep in mind at all times.

The People Puzzle

During multiparty negotiations, we have to deal with a variety of [agendas](#). We are no longer dealing with one-on-one discussions where there is usually some degree of ebb and flow. Now, the negotiators will be more challenged as they strive to achieve their individual objectives, while facing the pressing issues of staying cohesive and maintaining a unified direction.

Personalities may interact either melodiously, or abrasively. Negotiators may face a variety of tactics or even unethical gambits, as they evaluate and measure each other in pressing home their points. Conflicts will have to be overcome, as the group wrestles to achieve a uniform solution that is satisfactory, to not only the participants, but the constituents they represent as well.

The focus must always be on finding an effective agreement, a common vision that satisfies all their needs, in the best possible manner. The one caution that must be inserted here, is to be wary of making an agreement for an agreement's sake. A weak or patched agreement is like threading your way through rush hour, wearing a blindfold and hoping for the best – it seldom works out very well.

Chaotic order or ordered chaos?

In the simple world of a two party negotiation, each party generally takes turns in their exchanges, as they proceed along the way. In a multiparty negotiation, finding order and process can be harder than finding the proverbial needle in the haystack. Who starts? Who does what next? Who determines the agenda? Since there are many differing issues, and of relative importance, we need a way to figure out how we will separate the wheat from the chaff, and visualise a common design. How do we establish order amongst this complex group, so that it doesn't result in some civilised form of a taproom brawl, minus the fisticuffs? This is especially blaring when we meet head-on with the hard nosed negotiator, or when faced with a highly dominant personality pressing to have their way, and to heck with the rest of the group.

There obviously needs to be a means to manage the process so that there is order in how things are performed. Otherwise, nothing could ever be accomplished. As many multiparty negotiations do succeed, we can safely be assured, there are means and tactics to address the potential dilemmas we might face in the preceding paragraphs described above.

Let The Games Begin

Needless to say, each negotiation representative may invoke their own [negotiation strategy](#) and tactics to achieve their objectives. The more players involved, the more the interplay of strategies become increasingly and even perilously complex. Each player also will be responding to the strategy and tactics of the other players at the negotiation table. To succeed in this environment demands a high level of [negotiation skills](#).

One of the challenges facing us in these thorny negotiations, is deciding how we will counter the differing strategies used by our counterparts. We may either deal with them on a one on one basis, or collectively as a group. We might be faced with hard bargaining issues while trying to find ways to develop creative solutions.

Attitudes could range from being confrontational and positional. This will sculpt their approach in whether they have the desire, or become reluctant to offer or consider [concessions](#). All of this combined will affect the overall and ongoing dynamics of the interactions between the skilled negotiators, both individually and collectively.

There is also the challenge where a negotiator might face the [coalition\(s\)](#) of two or more negotiators. So now we must also deal with the added stress and pressures of coping with the coalitions attempt to dominate our position. Or, they may contrive to force their own resolution of issues between themselves or, by making side agreements during a break in talks. Sometimes, these coalitions can force the group into complying with a common perspective, while trampling on our own views about an issue or agreement.

Conclusion

Multiparty negotiations add many levels of both challenges and complexities that are normally less prevalent in a two party negotiation. In part 1 of this 2 part article, we considered the types of challenges and problems we may encounter. Although these challenges can appear daunting, there are ways and means to address this myriad of problems. Part 2 will offer a variety of solutions to address these dilemmas.

Continue to [part 2 of Multi Party Negotiations](#).

1. *Harvard Business Essentials 'Negotiation'* Harvard Business School Press, (2003).
2. Max H. Bazerman, Margaret A. Neale, 'Negotiating Rationally', The Free Press – MacMillian, (1992).
3. Leigh Thompson, 'The Heart and Mind of the Negotiator-2nd Edition', Prentice Hall Business Publishing, (2001).
4. J. Lewicki, A. Litterer, W.Minton, M. Sauders, 'Negotiation', 2nd Edition, Irwin,(1994).

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Summary: Part 2 of this article discusses options and solutions in handling the multiparty negotiation process and how to effectively find an agreement.

Now that we have considered all the challenges that can be posed by multiparty negotiations in [Multi-Party Negotiations \(part 1\)](#), let us now turn to examining some really effective solutions and tactics, to overcome some of these barriers.

3 Primary Considerations

1. **Non – Agreement Consequences:** One of the first things a negotiator needs, is to understand what costs and consequences may occur, should the group fail to reach a negotiated agreement. In other words, what are our alternatives and what are the alternatives of the other members of the group. Be careful that we don't over inflate what we perceive as the strength of our alternative options, and over embellish the options of our counterparts.
2. **Decision Making:** As a negotiator, we must consider how the group will arrive at making decisions, regarding any and all components of the agreement. Will we push for a unanimous consensus, majority rule, or some other form of decision making process?
3. **First agreement objective:** Rather than try and grasp for the brass ring by aspiring to get a consensus on a single whole package solution, think about trying instead to obtain a '*first agreement*' that can be improved or revised later. The reason this might be a better option, is because it considers all the barriers that need to be overcome, to dispel the dark cloud that would otherwise loom over the complex negotiation panorama. If we try

to get a group consensus, the other negotiators may begin to act like stubborn mules and become positional and confrontational.

Managing The Process

Here are some suggestions to create a more rosy and creative process for our multiparty negotiations.

1. **Appoint a Chairperson:** The most ideal option, is to have a neutral party who has no stake in the negotiation process, to act as a neutral **facilitator** to chair the negotiations. We could opt for a consultant for example. This will allow a chance for everyone to get a fair hearing, and will bring some order to what otherwise could turn into a free for all melee. If we chose someone from within the group who is also engaged in the negotiations, we will have to guard against their own aims or agendas. It should be obvious that they will unlikely be truly 'neutral', right?
2. **Filling in the Information Frame:** To make an informed decision, we need to make certain we are all in this group picture together. We need to ensure that we are able to base our decisions soundly by getting all the relevant information so we may fully understand the '*big picture*'. The chairperson will be of great assistance in allotting relatively equal time, to all the parties to present their visions and concerns.

There will be occasions when input will be required from company experts or specialists. Information will be evaluated and decisions rendered outside the physical boundaries of the negotiation, by other people such as **constituents** and stakeholders. Additional supporting information, such as reports and other forms of data, may need to be brought in and presented.

This information process needs to have fluidity, if it is to work effectively. There are also the various other people on our respective teams, who have different roles to play on this complex stage.

So, what else might we have to consider then?

One possible solution put forth by negotiation experts, Ancona and Caldwell, suggests we consider four possible major roles that could be incorporated into the process. Needless to

say, one person can wear different hats and perform different functions, but the key is to understand who is responsible for various and essential tasks.

1. **Scouts:** They are the go betweens who fetch relevant material, such statistics and reports, as required by their respective members of the negotiating team.
2. **Ambassadors:** These are the people who acquire resources for the group and obtain additional input. They act as a link to senior management to keep them apprised, but they do so informally.
3. **Coordinators:** These individuals provide a more official link with the groups primary constituents and stakeholders, such as senior management, CEO, Board of Directors, and stakeholders. They offer the formal presentation and input directly into the process, with their negotiating members.
4. **Guards:** The role these individuals play, is to ensure the security of information that is not intended to be revealed to other participants.

Mind Your Step

There are several traps to be on guard against, so we don't fall flat on our faces. Consider the following as potential vices, that can quickly sabotage our team's efforts.

1. **Intolerance:** Being intolerant to another's point of view or position, is like waving a red flag in front of a bull. We are all there to achieve an objective and need to intelligently and calmly raise objections, or argue for or against a position. It's all in the presentation.
2. **Keep emotions in check:** Long arduous sessions and strong viewpoints, can act like a searing flame that brings emotions to the boiling point. It is wise to use some vehicle to vent the steam, such as taking a break and bring the emotional temperature down to some manageable level.
3. **Preparation:** We might as well put on the dunce cap and go sit in the corner, if we fail to take the time to prepare properly for multiparty negotiations. Lack of preparation, can only undermine our presentation and reduce our credibility to the other negotiators.

Positive Discussion Strategies

To achieve full exploration of information, and exchange or brainstorm ideas in a productive manner, Bazerman, Mannix, and Thompson offer these techniques to approach group decision making.

1. Delphi Technique:

A facilitator or group chair, formulates a questionnaire for all parties to provide input, before they sit down at the table. Then, the facilitator summarises the results and returns it to the group. Each team reviews the summation and adds additional input. This process allows the group to exchange information and perspectives. The advantage is, that it allows the group to avoid becoming mired in personality conflicts and saves time. The disadvantage is, that the objectives of the respective negotiating teams, may be improperly expressed. This could result in compromise agreements, where more productive trade-offs, or available negotiating resources, are not fully brought into play for the full benefit of the respective negotiating team members.

2. Brainstorming:

Just like it sounds, the parties seated at the table are given a problem and encouraged to voice any solution that pops into their head. This technique allows more creative options or solutions to flower, while allowing everyone participation in the process. The collective solutions can be whittled down, to several very potential useful options.

3. Nominal Group Technique:

Following the brainstorming process, a list of solutions is created. These are then ranked or evaluated by the team, in terms of how effectively each solution addresses the needs of the partnership.

4. Use an Agenda:

Another technique that can greatly boost a multiparty negotiation, is to set an agreed upon agenda prior to the negotiation. The chairperson or moderator can introduce an agenda that outlines the specific issues to be addressed, in order of preference. The agenda can set the rules of order, and establish how decisions will be made by the group, plus set any time limits that will be devoted to topics or issues.

The advantage is in the structure of the agenda.

The disadvantage, is that an agenda might separate issues that have important links to each other. If this poses a problem, the group may have to redefine the agendas structure. There is also likely to be a negotiation over the order or sequence of items under negotiation, as we [train our clients](#) to set the agenda and choose their preferred agenda sequence of items.

Conclusion

Clearly, multiparty negotiations offer more hurdles than one-on-one negotiations. Careful thought, planning and preparation are vital elements that must be fully considered, before beginning the [multiparty negotiation process](#). However, if the group members keep their objectives and goals at the forefront, and avoid adopting tunnel vision, valuable partnerships can result for the benefit of all the participants.

1. *Harvard Business Essentials 'Negotiation'* Harvard Business School Press, (2003).
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