

NEGOTIATION SKILLS AND EFFECTIVE COMMUNICATION

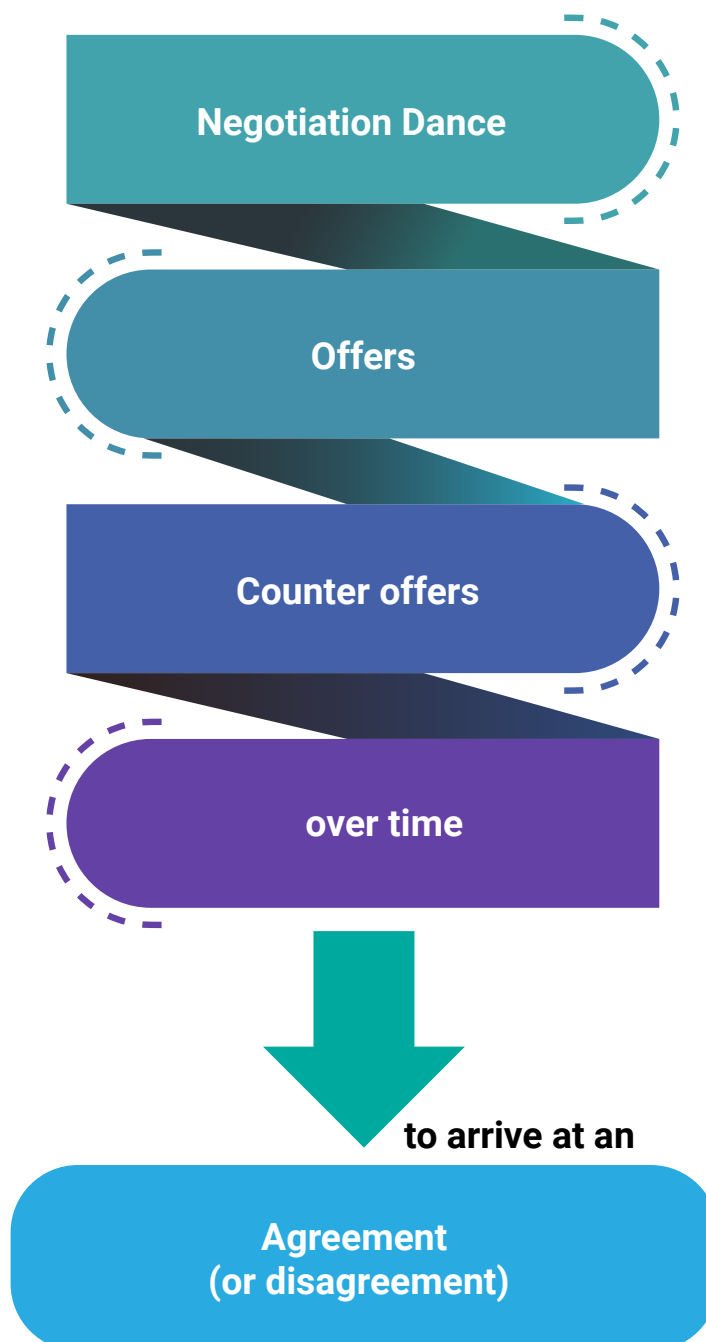
THE NEGOTIATION DANCE



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The anthropologist Edward T. Hall relates that he once had the marvelous experience of watching a “perpetual ballet” in an Indian market in the south of Mexico. He watched pairs of buyers and sellers of different ethnicities bargaining for the price of their merchandise, getting closer and then separating rhythmically and using body language freely. Later he concluded that dance is a fitting metaphor for the negotiation process, taking place on a stage where the dancers skillfully coordinate their movements to the rhythm of music that which creates an elegant choreography.

Since negotiation is a dynamic process, it's important to visualize its structure “in movement” as the phenomenon known as the **negotiation dance**. That is the offers and counter offers are analyzed with respect to time as the negotiation process develops to conclude in an agreement (or disagreement).



The negotiation dance begins when the first offer is made, known as the **anchor** or opening of the negotiation. The term “**rhythm**” in the negotiation dance is the combination between the intensity or magnitude of each offer and the time taken to make them.

The **preparation** phase in negotiation is crucial for defining the pattern that is desired throughout the negotiation dance, specifically how the concessions are managed (magnitudes of the offers) and when is the best moment to realize them. It's important to pay attention to time management and tactics of “**prolonged waiting**” (wait to see).

Prolonged waiting

Negotiation skills become manifest through the experiential learning cycle that begins with the knowledge of a topic, followed by practicing what's been learned in a specific situation. During negotiation, **observation and reflection** are incorporated into what is happening so that **adjustments** can be made by using **critical thinking** (a process that tries to analyze, understand, and evaluate the way knowledge is organized). Then the process is repeated as many times as necessary. It's important to continue until the corresponding skills are developed through practice until they become competencies.

The effectiveness of a negotiation depends in great part to the **communication** skills of the negotiators.

Active listening



Active listening means understanding, processing, and responding to your interlocutor at times or using open questions to assure that the messages that were transmitted were not distorted, so the interlocutors can focus on the problem or matter that is the goal of the negotiation.



We can say that a good negotiator **listens more than he speaks** (similar to an owl, not a macaw) and manages time in the interventions, allowing both parties to have the same opportunities.



It is said that a good negotiator has four ears, (his and those of his counterpart) in order to adopt the attitude of active listening in a negotiation.

An important observation is the **rhythm** of the negotiation dance. For example, a quick jump on our part can alert the other negotiator, and cause him to think that he can take advantage of us and resist until he obtains better offers.

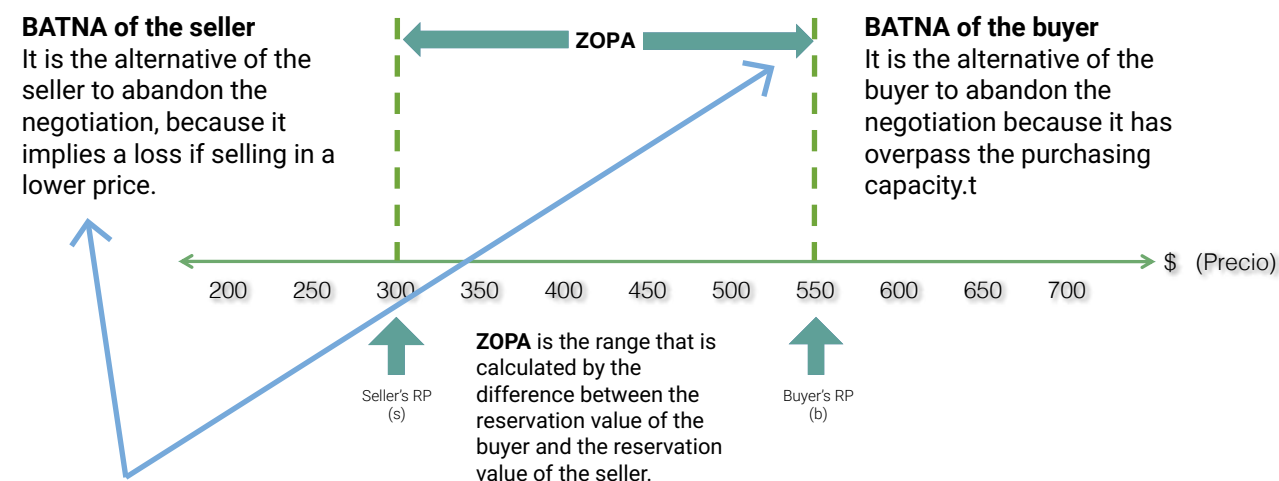
Another skill is the **interpretation** in setting the first anchor, in the opening phase of the negotiation process. Here are some alternatives:

- The question of who makes the first offer is often controversial; some authors recommend letting the other negotiator make the first offer, so we can be careful to not have to make excessive concessions or to know first what the other party's position is.
- Other authors, on the other hand, insist that making the first offer gives power in the negotiation, by what is known as "*the anchoring principle*," which creates a psychological effect and a bias toward the value of the anchor.
- There are some who affirm that the result for the party who makes the opening offer is correlated favorably for whoever begins approximately 80% of the time, while other researchers insist that the second offer is more creative.

In reality, there is no conclusive evidence with respect to either of the postures explained her, and the recommendation is to **be careful** when setting in the anchor value so it doesn't derail the negotiation.

Returning to the example of the scooter in subtopic 1, we can appreciate in the infographic that the seller anchored (\$700 dólares) too far from his reservation value and this obligated him to make a big jump (magnitude) in a short time (rhythm): A big concession to return to the ZOPA (range of negotiation). This possibly alerted the buyer to resist and take a small step over a long range of time, hoping for more concessions from the seller.

ZOPA: Negotiation Range



Notice that the **BATNA** appears when the **reservation value** is surpassed in one sense or another and it leaves the **ZOPA** or negotiation range.

Ref: The Art and Science of Negotiation, Howard Raiffa, Harvard University Press (2003)