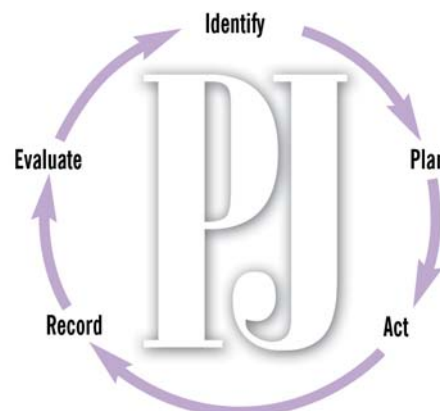


Negotiation: an important life skill

In this article, **Ruth McGuire** looks at the process of negotiation and the skills that can be useful for achieving positive outcomes



Identify knowledge gaps

1. What skills are required for successful negotiation?
2. What is your natural negotiating style and are you confident with your negotiating techniques?
3. What “dirty tricks” can be used by either side?

Before reading on, think about how this article may help you to do your job better. The Royal Pharmaceutical Society’s areas of competence for pharmacists are listed in “Plan and record”, (available at: www.rpsgb.org/education). This article relates to “Negotiating” (see appendix 4 of “Plan and record”).

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In the pharmacy domain, you might find yourself negotiating with a supplier or, perhaps, a member of staff who asks for a pay rise or change to his or her employment contract. And we are all aware of the negotiations that go on between the Pharmaceutical Services Negotiating Committee, the NHS Confederation and the Government. The ability to negotiate is not only an important management skill. It is a key life skill. Outside pharmacy there are many situations where negotiation skills are useful, for example, buying a house or a new car, discussing your annual summer holiday with your partner or even negotiating bedtime with your children.

According to the Concise Oxford Dictionary¹ to negotiate means to “confer with others in order to reach a compromise or agreement”. Negotiation is an interactive process that can be used to make an agreement or settle a dispute. The process involves two or more people who have opposing views but want or need to reach some kind of resolution.

Skills for successful negotiation

Negotiation is often referred to as an art because it involves creative thinking. Good negotiators often also possess the following:

Awareness A good negotiator will be well aware of the background to a negotiation — the tensions and emotions of both parties. He or she will be sensitive to the needs of the other side. A skilled negotiator is also often able to interpret body language and is aware of different tactics that might be used by the other side.

Patience A successful negotiator appreciates that the negotiation process may not give instant results. Patience, truly, is a virtue during some negotiations — it can take time to break down barriers.

Communication skills Because negotiation is a two-way process it requires good communication skills. A good negotiator will be a good listener.

Negotiating styles

It is recognised that each person has a natural negotiating style, which is influenced by his

or her personality. There are five basic styles: competitor, collaborator, compromiser, pleaser and avoider. Each can be defined as different degrees of assertiveness and cooperation (as shown in Figure 1, p24) and it can be helpful to know the strengths and weaknesses of each style.

Competitor Competitors tend to be assertive, unyielding and uncooperative. This style can be effective if you are in a strong bargaining position but, if used inappropriately, it can create tension and mistrust and damage relationships. If faced with a competitive negotiator, bear in mind that there are no rules or procedures that have to be followed and you have no obligation to agree.

Collaborator Collaborators use time and energy to find common ground. This style is both high in assertiveness and cooperativeness and is often seen as the ideal. It is especially useful when you want to maintain a good relationship with the other side.

Compromiser Compromisers are both assertive and cooperative, but not overly so. They are ready to meet the other side half way.

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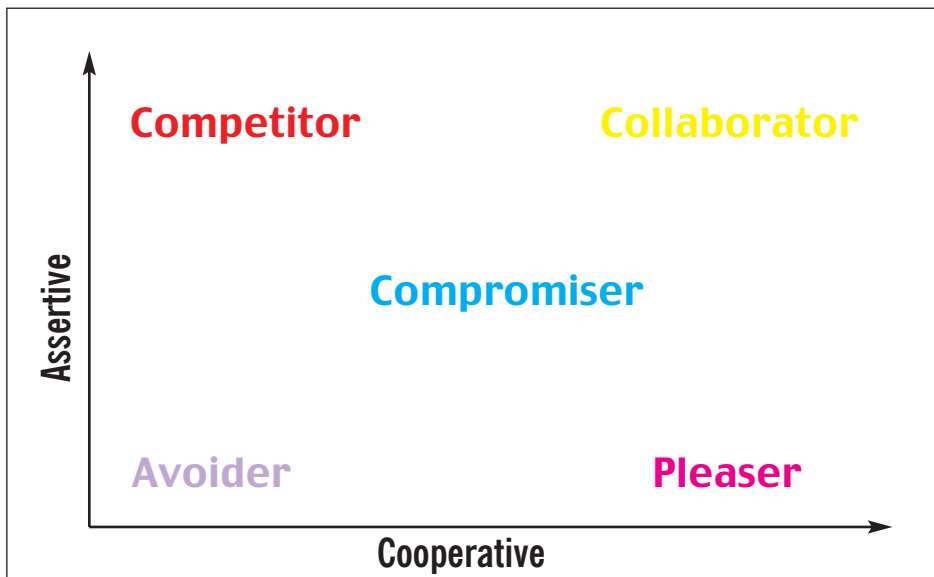


Figure 1: Negotiating styles

Pleaser Pleasers are often regarded as nice people but give way too easily. This style is usually only deliberately used if one side is only too happy to accommodate the other.

Avider Avoiders are low in cooperativeness and assertiveness. This style is often adopted by people who hope that if they ignore a problem, it will go away.

It should, however, be remembered that there is no right or wrong style. What matters is flexibility and being able to recognise the style adopted by the other negotiator. Effective negotiators are able to change their style according to the issues being negotiated and the style adopted by the other side. For example, one way of tackling an avoider would be to become a competitor and impose time limits on the negotiations. Alternatively, you may choose to adopt the avoiding style if you know that the other side has deadlines and you want to put them under pressure.

Negotiation process

There are four key stages to negotiation: preparation, opening, discussion and closing.

Preparation Although a good negotiator possesses many skills, these are rendered useless if he or she does not have a thorough knowledge of the facts and issues in question. For example, if your negotiation involves some kind of business deal, then you will need to collect data, annual reports and information about companies or other organisations.

Before you enter any negotiation, you need to be clear about your objectives. Take the example of the employee who is threatening to leave unless a pay rise is forthcoming. You would need to consider whether your objective is to keep your employee or maintain your budget. Having considered your objectives, you can then decide on which of your positions you can compromise.

If negotiations involve multiple issues, these need to be isolated and the relative importance of each issue should be assessed. For example, if you have a contract with a supplier but he has failed to deliver on an agreed date, you may well want compensation. On the other hand, it may be more important for you to continue what has been a profitable relationship, especially if the goods being supplied cannot be sourced from elsewhere.

In "Negotiation skills,"² Tim Hindle suggests classifying priorities by deciding the following:

- Which priorities are ideal?
- Which represent a realistic target?
- Which are the minimum you must fulfil in order for you to still "win"?

Analysing the strengths and weaknesses of your position and those of the other party should be part of your preparation. This will help you to establish possible points of compromise and common ground. You should anticipate that the other side will spot weaknesses in your position and prepare carefully worded replies if these are raised.

Variables Variables are options that help you to achieve a final agreement. For example, if you process a customer's photos and they have gone missing, he or she may ask for compensation. A different approach might be to offer to process his or her next three films for free. This could be a cheaper alternative for you and it gives you the chance to rebuild that customer's confidence in your service.

Other examples of variables include allowing time for payment, paying in installments or in relation to performance and a promise for future services or orders. Be creative. Going back to the pay rise example, if you cannot possibly agree to any pay increase but would like to offer your employee something, consider what else you could offer, for example, an extra week's annual leave or some kind of profit sharing.

Your best alternative If negotiations break down and you fail to achieve your aims, you need to be clear, at the outset, what your best alternative to an agreement would be. This could include not doing the deal at all. Defining your best alternative, also gives you a standard against which to assess any offers that are made. It protects you from being too generous (agreeing to give the other side more than the value of your best alternative) or too uncompromising (rejecting an offer that is better than your best alternative). On each issue, you should decide on the most and least favourable result you are willing to accept.

Conducting negotiations Before conducting a negotiation, you need to consider how you will negotiate, where the negotiations will take place, and whether you will negotiate alone or as part of a team.

Negotiation media Negotiations can take place through written correspondence (eg, letters or e-mails), on the telephone, at a meeting or a combination of these. Each medium has advantages and disadvantages and you should consider these carefully. It is easier to be orderly and reasoned in written correspondence. This means of negotiation also gives people time to think (avoiding hasty decisions). However, there is danger of delay and responding letters can often ignore questions raised. No body language is involved and this could be an advantage or a disadvantage.

Negotiation by telephone can be quick and useful for resolving a single issue. However, you need to ensure you are properly prepared. If you are not the person making the call, remember that you can always ask to call the other side back. Body language is not a factor but, often, vocal tones are more noticeable. Be aware that silences on the telephone are powerful — do not be tempted to fill them with a statement you might regret.

Meetings allow greater opportunity to explore and settle a situation. They are more fluid and bargaining is easier. However, there is a greater danger of being pressurised into an agreement. Before any meeting, agree its time and length. The purpose of the meeting (ie, to agree or to explore possibilities) should be made clear. Multi-issue negotiations need to be structured with an agenda.

Venue The venue for negotiations should be carefully considered. It can be helpful if the meeting takes place on neutral territory, preferably somewhere free from interruptions. However, it is worth exploring the strategic advantages of using other venues. If, for example, you use your office, it is easier to get hold of any extra information that might be needed or even to arrange for an "interruption". Using the other side's premises may seem an obvious disadvantage but could give you the option of stalling negotiations by saying that you do not have a particular file to

hand. Note that accepting the other side's choice of location can make them feel more at ease and therefore more collaborative.

Negotiators Before the meeting, you should agree who will be attending from either side. If a number of people are to attend, a chairman might be useful. Find out the names and roles of the other side's negotiators in advance.

In some cases you may need to negotiate as a team, in which case you need to think about the roles each team member will adopt. For example, you may find it useful to appoint a team leader. Other roles you might want to assign include "good guy" and "bad guy". As part of your negotiation strategy, you may want the person in the good guy role to be empathetic and acquiescent, to make the other side feel comfortable. Conversely, the bad guy is useful for proposing extreme solutions. If the solution you really prefer is then proposed by the good guy, the other party may be pre-disposed to accepting it. Team briefings, rehearsals and even role playing are important aspects of any team negotiations. Before any negotiations as a team, it is essential to make sure all team members have been briefed fully and are clear about objectives.

Opening position and opening statements The opening bid should, generally, be the highest that you can justify — making too optimistic an opening demand can lose you credibility. The benefit of aiming high initially is that if the other side makes valid points, you have room to offer concessions. Only open with your bottom line if your bargaining position is obviously strong.

Your opening statement should create the climate for collaboration. Starting off in the right way is important because patterns and styles take root early and can be hard to change. Your opening statement should provide structure and order, and should remind both sides of the background and areas of agreement or dispute. Listen carefully to the

other side's opening statement. This allows you to avoid false assumptions and to evaluate their adopted negotiating style.

You should have decided on the information you want to share with the other side at the preparation stage. Bear in mind that the more information you give to the other side, the better your chances of reaching an agreement — sharing nurtures trust and will help identify interests common to both parties. However, be careful not to divulge any information that would damage your argument.

Discussion The negotiation itself is your chance to probe and search for variables that you have not previously considered. However, remember not to bombard the other side with questions. Ask one question at a time and give them time to answer. This is your chance to explore how everybody can walk away from the negotiation table with something they want.

Listen carefully to what is said and pay attention to signs of discomfort or uncertainty. Active rather than passive listening means that, as you listen, you ask questions in your head about the other side's position. You might also find it helpful to summarise the other party's points and position in order to check your understanding.

If you are offered a concession, think before you express appreciation or disappointment too easily. It may not be sensible to finalise on any issue until the whole agreement is clear. And to avoid making a concession without a return, get into the habit of offering conditional concessions. For example, "we could do X, but only if you do Y".

As a negotiator you need to be prepared to be flexible on the least important matters. For example, before agreeing or disagreeing, ask yourself: "If I give way on this point, what difference would it make — what would it cost me?". Try to avoid arguing over things that do not matter and concentrate your energy on the things that do. If you are well prepared, you should already have identified potential areas of compromise.

Showing respect to the other negotiating party is fundamental to maintaining an atmosphere that is conducive to negotiation. The party on the other side of the negotiating table needs to feel that their position and perspective is valued — respect for others always builds trust.

Closing There are three basic outcomes from a negotiation. The win-win outcome is where both parties emerge from the negotiation feeling that they have won or at least have achieved their minimum goals. This is the ideal outcome — both sides come away feeling they have gained something.

The lose-lose outcome occurs when neither party achieves their goals or a stalemate is reached. Win-lose happens when one party achieves their goals but the other party does not.

Once you have closed the deal and achieved the win-win situation, or even if

Panel 1: Tips for successful negotiation

- Be open to ideas and prepared to adjust your position in the light of new information
- With multi-issue negotiations, keep the whole package in mind — be prepared to go below your bottom line on one issue if it means you would get a good result on another
- Sitting across a table can appear adversarial — seating placed at 90 degrees can appear more collaborative
- Before a negotiation, revise information so you have key facts and figures at your fingertips
- Use a collaborative tone and friendly gestures
- Seek clarification wherever necessary — negotiations can break down because of a simple misunderstanding
- Taking notes during a negotiation can be a useful way of hiding your immediate reactions
- Adjournments, even for as short as 10 minutes, can be useful when alertness is decreasing, when there is a deadlock or if a discussion becomes heated
- Deadlocks can be resolved by deferring a particular item and moving onto the next issue
- If the meeting environment is uncomfortable (eg, seating or room temperature), do not be afraid to ask for these to be changed at the outset
- Be aware of "dirty tricks" such as surprise attacks (eg, you should remain impassive to a sudden outburst or withdrawal of an offer), the "good guy-bad guy" role, feinting (ie, great importance is attached to one issue which is really of little value and that issue is then conceded in order to pave the way for another issue) and false deadlines

things do not quite work to plan, record what has been agreed in writing. Make sure you also have the other party's confirmation about any agreement and that there are no ambiguities or uncertainties.

Summary

Although some people may be more natural negotiators than others, negotiating is an ability that improves with practice. Further tips for successful negotiating are given in Panel 1. Remember that negotiation is not just about winning an argument — winning should be done in a way that preserves or even improves your relationship with the other party.

References

1. Thompson D (editor). *Concise Oxford Dictionary*. Oxford: Clarendon Press; 1998.
2. Hindle T. *Negotiating skills*. London: Dorling Kindersley; 1998.

Action: practice points

Reading is only one way to undertake CPD and the Society will expect to see various approaches in a pharmacist's CPD portfolio.

1. Practice negotiating with a colleague.
2. Next time you are in a position to negotiate, review this article.
3. Imagine you want to offer a new service to your primary care trust. Write down your strengths and weaknesses and consider what you might put in your opening statement.

Evaluate

For your work to be presented as CPD, you need to evaluate your reading and any other activities. Answer the following questions: What have you learnt? How has it added value to your practice? (Have you applied this learning or had any feedback?) What will you do now and how will this be achieved?