



So What?



When you hear the word, “negotiation,” you might think of law enforcement officers reasoning with an armed robber to release hostages. Perhaps you think of a political figure developing a treaty with a neighboring country. And you might think of people who

But, negotiation is not always easy. That’s why it is important to understand negotiation and to sharpen your negotiating skills to get what you want. So, if you’re ready, let’s learn how you can effectively negotiate.

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Objectives

- 1 Explain the importance of negotiation.
- 2 Demonstrate negotiation skills.

Getting What You Want

Although Lydia wants to go to a concert Friday night, she is scheduled to work at the local fitness center for the entire evening. So, she approaches her coworker, Troy, to ask him if he will work her shift that night. Troy says he will work her Friday-night shift if she will work a shift for him next week. Since Lydia and Troy want something the other person can provide, they are negotiating.



Negotiation is the process of reaching an agreement with another party or persuading someone to take a certain course of action. As a negotiator, you decide the best way to make this happen by strategizing—by identifying the most-likely-to-succeed approach for getting what you want. To effectively negotiate, you need to understand how negotiation works, when and why to use it, and what it involves.

Why Negotiate?

The purpose of negotiation varies. People negotiate to obtain a need or want, to solve a problem, or to resolve a conflict. It can be about something as ordinary as what to have for dinner, or it can be about something as serious as which city to move to or which job to take. Every day, we are in contact with people whose needs and wants are different from our own. Negotiation is the process of addressing those competing needs and wants in a satisfactory way.



How Negotiation Works

You can negotiate in many ways—with one other person, in a group, over the telephone, or in writing. As you learn more about negotiation, you will notice that there are aspects of negotiation that directly affect the outcome, regardless of the method you use. Below are some important factors to consider:

- **Relationship.** Your relationships with people often determine how you negotiate with them. Your relationship with your best friend is informal and close, so you probably negotiate with him/her differently than you do with your supervisor. Both relationships are important to you, but the nature of each relationship is different.

Sometimes, the relationship is not an important factor. Suppose that you are shopping for a new computer printer. You probably don't know, and don't need to know, anything about the salesperson. Your negotiation with the salesperson has little to do with the relationship.

In most situations, the more you have invested in a relationship, the more important the negotiation process becomes.

- **Power.** When negotiating, it is helpful to identify the bargaining power that each person brings to the process. For example, when you approach your supervisor to request a specific assignment, s/he has the power to give you what you want. In this situation, determine the power that you have. You can empower yourself by showing your supervisor that you are responsible enough to handle the project. You need to figure out the best way to communicate that power to your supervisor to get the results that you want.

TYPES OF POWER

Your level and type of power depend on the circumstances, the relationship, and the other person's perceptions. By recognizing the type of power that you possess, you can use it to your advantage when negotiating. The five primary types of power include:

- **Self-confidence:** Having a positive belief in your own talents, skills, and objectives
- **Knowledge:** Possessing facts and supporting information
- **Bargaining ability:** Having something that the other party wants
- **Reputation:** Being honest, ethical, and responsible—your reputation is the sum of your previous behavior.
- **Authority:** Possessing a certain position or status

In other situations, you may have more power. Suppose that you are in charge of hiring a graphic-design firm to create your company's product catalog. You meet with several graphic-design firms to determine which one will do the best job at the right price. You have more power because you are making the decision. The graphic-design firms, on the other hand, can empower themselves by making professional presentations and showing samples of their previous work.

The Gray Zone

Joe is ready to buy a car. On Saturday, Joe goes to Winner's Used Cars to look at cars, and he sees a four-door sedan that he would really like to buy. Joe decides to negotiate with the salesperson, Daryl.

After briefly inspecting the car, Joe notices a squeaky noise coming from the back of the truck in the week. Should Joe disclose the information to Daryl about the truck's squeaky noise?

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