



**PCS 410 NEGOTIATION**  
Sources of Power in Negotiation

## OVERVIEW

Influence vs. threats

Extreme position vs. firm & clear offer

Sources of Influence: BATNA

Sources of Influence: Knowing People, interests and facts

Messages' consistency with opponent's values

Inventing a good solution to the problem

## INFLUENCE VS. THREATS

In negotiation, parties communicate in order to influence each other.

Power in negotiation lies in the ability to favorably influence the other party's decision.

Error: because threats of physical force exert influence, negotiating power lies in threats.

But threats is a costly and dangerous way of trying to exert influence.

## EXTREME POSITION VS. FIRM & CLEAR OFFER

There is also a widespread belief that the best way to start a negotiation is with an **extreme position** or **hard line**.

The idea is that negotiators should let others know they are in charge by taking a hard line, and should then soften their position later if appropriate.

However, this may not be the most effective tactic.

## EXTREME POSITION VS. FIRM & CLEAR OFFER

The more extreme the opening positions are, and the smaller the concessions, the more time and effort it often takes to move toward agreement.

And as each side tries to use force to make the other change its position, anger and resentment result, putting a heavy strain on the relationship between the parties.

Thus, it is a mistake to try to use force or threats before one has exhausted the other elements of negotiating power.

Threatening to impose harsh consequences without having first made a **firm and clear offer** is actually likely to reduce a negotiator's level of power.

## BATNA

The ability to exert influence depends upon the combination of factors:

BATNA, i.e. having a good alternative to negotiation contributes substantially to a negotiator's power.

A negotiator with very strong alternatives does not need the negotiation in order to achieve at least a satisfactory outcome.

When parties have many options other than negotiation, they have more leverage in making demands.

Therefore, parties should develop a strong understanding of their alternatives before participating in negotiations.

Making one's BATNA as strong as possible, and then making that BATNA known to one's opponent, can strengthen one's negotiating position.

## SOURCES OF INFLUENCE: KNOWLEDGE

A skilled negotiator who knows about the people and interests involved as well as the relevant facts is better able to influence the decisions of others.

The abilities to listen, to empathize, and to communicate clearly and effectively are crucial in negotiating effective agreements.

Likewise, an awareness of various negotiating styles and cultural differences can be a huge asset.

A good working relationship also increases a negotiator's level of power. Relationships characterized by

*trust and the ability to communicate effectively and easily.*

*If a negotiator establishes a reputation for candor and honesty, his or her capacity to exert influence is enhanced.*

A negotiator who understands the point of view from which the other party is operating is more likely to communicate persuasively, with minimal misunderstanding.

## **SOURCES OF INFLUENCE: KNOWING PEOPLE, INTERESTS AND FACTS**

The effectiveness of persuasion depends on how these facts and ideas are selected and presented.

To be persuasive, negotiators must consider the content of the message, the structure of the message, and the delivery style.

First, negotiators must make the offer attractive to the other party and emphasize those features of the offer that the other party is likely to find appealing.

Negotiators should also try to formulate a proposal, however minor, to which the other party can agree.

This will put the other negotiator into the mindset of saying "yes" and will increase the likelihood that he or she will agree with a second, more significant proposal or statement.

These yesable propositions can also help to reduce tension and hostility and create minor points of agreement.



## MESSAGES' CONSISTENCY WITH OPPONENT'S VALUES

Negotiators should try to make their messages consistent with their opponent's values.

Thus negotiators can enhance their chances of success by jointly developing objective criteria and standards of legitimacy, and then shaping proposed solutions so that they meet these joint standards, which may include appeals to principles of fairness and expert opinions.

Negotiators should try to demonstrate by following the suggested course of action, that the other party will be acting in accordance with his own values or some higher code of conduct.

Agreements about general principles can be an important first step in the negotiation process.

## INVENT A GOOD SOLUTION TO THE PROBLEM

To influence the other side, invent a good solution to the problem.

This typically involves devising an ingenious solution that addresses the interests of both sides.

**Brainstorming** can be used to help generate such solutions in advance and increase a negotiator's chances of affecting the outcome in a favorable way.

Introducing new opportunities for joint gain may also help to create a situation that is **ripe** for settlement.

Each side recognizes that it has much to gain through collaboration, and that if both sides work together, they can reap rewards.

Rather than seeking "power over" the other side, negotiators in this way exercise "power with" one another.