

What is Negotiation?

See also: [Transactional Analysis](#)

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.

Stages of Negotiation

In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

1. Preparation



2. Discussion
 3. Clarification of goals
 4. Negotiate towards a Win-Win outcome
 5. Agreement
 6. Implementation of a course of action
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1. Preparation

Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend. Setting a limited time-scale can also be helpful to prevent the disagreement continuing.

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position. In the work example above, this would include knowing the 'rules' of your organisation, to whom help is given, when help is not felt appropriate and the grounds for such refusals. Your organisation may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessarily wasting time during the meeting.

2. Discussion

During this stage, individuals or members of each side put forward the case as they see it, i.e. their understanding of the situation.

Key skills during this stage include [questioning](#), [listening](#) and [clarifying](#).

Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification. It is extremely important to listen, as when disagreement takes place it is easy to make the mistake of saying too much and listening too little. Each side should have an equal opportunity to present their case.

3. Clarifying Goals

From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified.

It is helpful to list these factors in order of priority. Through this clarification it is often^{OP} possible to identify or establish some common ground. Clarification is an essential part of the negotiation process, without it misunderstandings are likely to occur which may cause problems and barriers to reaching a beneficial outcome.



4. Negotiate Towards a Win-Win Outcome

This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.

A win-win outcome is usually the best result. Although this may not always be possible, through negotiation, it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point. Compromises are often positive alternatives which can often achieve greater benefit for all concerned compared to holding to the original positions.

5. Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered.

It is essential to for everybody involved to keep an open mind in order to achieve an acceptable solution. Any agreement needs to be made perfectly clear so that both sides know what has been decided.

6. Implementing a Course of Action

From the agreement, a course of action has to be implemented to carry through the decision.

See our pages: [Strategic Thinking](#) and [Action Planning](#) for more information.

Failure to Agree

If the process of negotiation breaks down and agreement cannot be reached, then re-scheduling a further meeting is called for. This avoids all parties becoming embroiled in heated discussion or argument, which not only wastes time but can also damage future relationships.

At the subsequent meeting, the stages of negotiation should be repeated. Any new ideas or interests should be taken into account and the situation looked at afresh. At this stage it may also be helpful to look at other alternative solutions and/or bring in another person to mediate.

See our page on [Mediation Skills](#) for more information.



Informal Negotiation

There are times when there is a need to negotiate more informally. At such times, when a difference of opinion arises, it might not be possible or appropriate to go through the stages set out above in a formal manner.

Nevertheless, remembering the key points in the stages of formal negotiation may be very helpful in a variety of informal situations.

In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation:

- 1. Attitudes**
- 2. Knowledge**
- 3. Interpersonal Skills**

Attitudes

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Always be aware that:

Negotiation is **not** an arena for the realisation of individual achievements.

There can be resentment of the need to negotiate by those in authority.

Certain features of negotiation may influence a person's behaviour, for example some people may become defensive.

Knowledge

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The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.



Do your homework and gather as much information about the issues as you can.

Furthermore, the way issues are negotiated must be understood as negotiating will require different methods in different situations.

Interpersonal Skills

Good interpersonal skills are essential for effective negotiations, both in formal situations and in less formal or one-to-one negotiations.

These skills include:

Effective verbal communication.

See our pages: [Verbal Communication](#) and [Effective Speaking](#).

Listening.

We provide a lot of advice to help you improve your listening skills, see our page [Active Listening](#).

Reducing misunderstandings is a key part of effective negotiation.

See our pages: [Reflection](#), [Clarification](#) and [The Ladder of Inference](#) for more information.

Rapport Building.

Build stronger working relationships based on mutual respect. See our pages: [Building Rapport](#) and [How to be Polite](#).

Problem Solving.

See our section on effective [Problem Solving](#).

Decision Making.

Learn some simple techniques to help you make better decisions, see our section: [Decision Making](#).

Assertiveness.

Assertiveness is an essential skill for successful negotiation. See our page: [Assertiveness Techniques](#) for more information.

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Dealing with Difficult Situations.

See our page: [Communicating in Difficult Situations](#)



for some tips and advice to make difficult communications, easier.

Further Reading from Skills You Need

[Conflict Resolution and Mediation](#)

Learn more about how to effectively resolve conflict and mediate personal relationships at home, at work and socially.

Our eBooks are ideal for anyone who wants to learn about or develop their interpersonal skills and are full of easy-to-follow, practical information.



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