

INTRODUCTION

What exactly is a negotiation and why do we negotiate? Are there myths that guide our behavior when we negotiate? Can negotiating be both exhilarating and exhausting? What does “winning” mean in the context of negotiation? How can effective negotiating help us achieve our long-term life and career goals?

These and other questions are addressed in Section 1, which includes the first two chapters. In Chapter 1, we introduce the many ways of understanding and approaching the process of negotiating and why some people love it while others are fearful. We look at the purposes of negotiation, common assumptions, and how it can fit into your career.

In Chapter 2, we focus on what successful negotiation looks like, how to assess your outcomes, what high-quality negotiating looks like, and how being mindful and intentional can help you to keep the end goal in mind. We also help you recognize how to know when you are negotiating at your best. Finally, we explore how various negotiation opportunities might align with your greater sense of purpose. Such awareness provides essential clarity for when, how, and why we would enter into a negotiation.

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NEGOTIATIONS

Let's Make a Deal



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LEARNING OBJECTIVES

Upon completion of this chapter, the reader should be able to do the following:

- 1.1 Discuss the definition of negotiation.
- 1.2 Recognize the content, process, and psychology shaping every negotiation.
- 1.3 State the purpose of negotiation, providing an example of why you would enter into a negotiation.
- 1.4 Differentiate between the myths and realities of common negotiation assumptions.
- 1.5 Describe why exhaustion or exhilaration can occur when negotiating and provide an example of each.

INTRODUCTION

Ask a dozen people what comes to mind when they think about negotiations and many of them will say it's about making a deal or coming to an agreement. Some will look bewildered, some will say they avoid negotiating at all costs, and others will say they are energized by the competitive nature of negotiating! Negotiation plays a significant role in our everyday lives and, understandably, we have vastly different opinions, emotions, and approaches when we engage in making deals with others.

Fortunately, there are guidelines and principles that can help us improve our skills in negotiating. We present an organizing framework that spans the content, process, and underlying psychology of any negotiation. As we explore these underlying assumptions, we also uncover common negotiation myths and realities. Like many people, we expect there are times when you will find negotiating an exhilarating experience and times when you find it exhausting. We will explore those distinctions as well. You will find that effective negotiating is more than periodically making deals; it is an ever-present way of moving your career and life forward with others.

RECALL

You come to this course with a good deal of experience. So, let's begin by recalling what you already know and springboard from your own ideas and experiences. Think about your own experiences and the ideas you already have in your head. We call these *theories-in-practice*, which are simply the notions you believe guide your behavior and decisions day-to-day. Recall what you believe are the key factors that lead to successful practices. To help you remember what you already know about topics in this chapter, please answer the following questions:

1. What did you like about the negotiating experience? What did you not like about the experience?
2. For what parts of the negotiation were you able to be in control, intentional, and planful? What surprised you during the negotiation or didn't go as you expected?
3. What overarching strategy or style did you try to follow? If the other person also seemed to have some overall strategy or style, how would you describe it?
4. What did you learn from that negotiation experience and outcome? What would you do the same in the future and what would you do differently?

WHAT IS NEGOTIATION?

LEARNING OBJECTIVE

LO 1.1 Discuss the definition of negotiation.

You likely have a pretty good idea of what negotiation is, even before opening this textbook. From an external view, **negotiation** is sometimes a process of communication and bargaining between parties that consists of offers and counteroffers until an agreement is reached,

discontinued, or abandoned. It includes the process of giving and getting and acknowledging whether an offer is acceptable. A negotiation can be acceptable with modifications or not acceptable at all. This is what we see from the outside when we observe a negotiation. At other times, what we observe isn't the exchange of counteroffers but instead an overt effort to explore the other party's motivations and concerns, as if the two parties are trying to get on the same side of a table rather than sit across from one another. It looks like an effort to take divergent positions and find a way to converge into a shared position that satisfies each party's interests.

Despite what we see externally, internally negotiating can be a complex psychological experience, one that varies widely depending on the person, their state of mind before and during negotiations, and their access to resources and power in comparison to the other party. While some of the elements in the list below focus on outward behavior, negotiation is also very much a mental activity, and includes internal elements. We view negotiation as being comprised of eight components:

1. a series of offers and counteroffers that continue until there is mutual agreement or impasse. The agreement establishes expectations for immediate and/or subsequent behavior.
2. an offer for an exchange of goods, services, behaviors, or a combination of each
3. both a cognitive experience and an emotional (affective) experience
4. a process in which each party may be self-aware, other aware, both, or neither
5. a situation in which each party may see themselves as representing their own interests or those of a larger group, identity, or organization
6. present, past, or future focused (or any combination of these)
7. anticipatory, spontaneous, or a combination of both
8. a process in which a party adapts as they learn from the process (or do not)

Table 1.1 presents each element and provides an example of how each may play out in shaping the way we negotiate.

<i>Element of Negotiation</i>	<i>How This Element May Be Displayed</i>
<p>1. <i>A series of offers and counteroffers that continue until there is mutual agreement or an impasse. The agreement establishes expectations for immediate and subsequent behavior</i></p>	<p>The outward expression of negotiation is one of communication. The offer might be an exchange of money for goods, a change of behavior that must occur if a child is to stay up past their stated bedtime, or an agreement about how each party is expected to treat each other in the future. It may be as fast as a single offer that is accepted or it may involve a lengthy series of offers and counteroffers and expressions of impasse only to be followed by renewed offers and counteroffers.</p>

(Continued)

TABLE 1.1 ■ Elements of Negotiation and How They May Be Displayed (Continued)

<i>Element of Negotiation</i>	<i>How This Element May Be Displayed</i>
<p>2. <i>An offer for an exchange of goods, services, behaviors, or a combination of each</i></p>	<p>A negotiation can be as simple as two parties adjusting the terms of a sale; for example, one person at the market offering to buy a larger volume of fruit for a lower price per item, and then the parties going back and forth on the total price and total volume of produce.</p> <p>It can also be a complex mix of goods offered now in exchange for some mix of immediate and future behaviors. Consider the crime drama where the police are at a stalemate with someone holding hostages. The police negotiator offers a series of promises and protection in exchange for the release of an injured hostage and a matching promise not to hurt any other hostage.</p>
<p>3. <i>Both a cognitive experience and an affective or emotional experience</i></p>	<p>Negotiation is an experience you think and feel. You may be mindful of your strategies, intentions, values, and willingness to make concessions to get to an agreement, just as you may find yourself going with the flow and responding in the moment.</p> <p>As a cognitive experience, we focus on an objective, an overarching strategy, and tactics to initiate and respond, and calculate the pros and cons or the value of coming to an agreement or not. The cognitive side is similar to a sports announcer describing how players advance on each other, move in different directions, and demonstrate their relative skill.</p> <p>As an affective experience, we are influenced by motives, values, preferences, excitement and fear, liking or disliking the other party, and the negotiation experience itself. Some negotiations (more than others) elicit powerful emotions, which can turn an otherwise logical discussion of differences into a fierce conflict. Experienced negotiators learn both to control their emotions and to display them in an intentional manner. The affective side, returning to the sports announcer analogy, is the excitement they convey as parties interact with each other. It includes not only excitement of moves well performed but also lingering frustration or anger from being bested by the other party. We have all seen athletes, despite proficient skill, become undone when they lose control of their emotions in the heat of an exchange.</p>
<p>4. <i>A process in which each party may be self-aware, other aware, both, or neither</i></p>	<p>Some people are intensely aware of their own thoughts and feelings as they negotiate, while others are less so. Similarly, some people attempt to be aware of the opposing party's mental state and interests, observe the other party's behavior and make inferences, and then incorporate that into their negotiating approach.</p> <p>This may be as simple as pausing during a negotiation conversation and asking yourself if you are focusing on what matters most to you or focusing on what the other party seems to want to negotiate.</p>

TABLE 1.1 ■ Elements of Negotiation and How They May Be Displayed (Continued)

<i>Element of Negotiation</i>	<i>How This Element May Be Displayed</i>
<p>5. <i>A situation in which each party may see themselves or the other party as representing their own interests or those of a larger group, identity, or organization</i></p>	<p>You may be negotiating for yourself or, at other times, you may be negotiating on behalf of a group or an institution. The same may be true for the opposing party. Being a representative, delegate, or agent for someone else adds an additional layer of complexity; sometimes as a delegate, you have authority to modify terms and make binding commitments, while at other times, you may only be able to present and receive offers.</p> <p>While you may think of yourself as an individual as you negotiate, the other party may only see you as a representative of the organization you represent; their attitude toward you and their behavior may be reflected in their views—positive or negative—of that organization. This representation can make negotiations easier or more challenging, depending on how you are viewed.</p> <p>There is a common tactic: When the other party seems to be close to agreement with you, they pause and state that as much as they would like to simply agree, they have to first run it by their manager (team, union, spouse, etc.). This may be true or may simply be a way to buy time while evaluating the potential agreement.</p>
<p>6. <i>Present, past, or future focused or any combination of these</i></p>	<p>Some negotiations are focused on the here and now—getting to a closing agreement. In many situations, however, past experience drives one or more party's negotiating stance and behavior, such as in divorce proceedings where one party's demands are driven by anger over past actions. At other times, negotiation positions are treated as building blocks toward the future. A negotiation can be the precursor to expected future behavior. For example, getting the best deal today may not be as important when one is also able to lock in a future deal that is much more important.</p> <p>I may, for example, be negotiating a small contract with a new client who doesn't yet know the higher quality of my services. If my fees are much higher than the competition, I may offer to waive some portion of fees this first time, confident that their experience will lead to longer-term opportunities.</p>
<p>7. <i>Anticipatory, spontaneous, or a combination of the two</i></p>	<p>Do you think about an upcoming negotiation before it occurs? Do you map out tactics and potential responses or even visualize the negotiation? Do you anticipate negotiation with emotion, whether those are feelings of dread or excitement?</p> <p>You may instead commence a negotiation at the spur of the moment. This negotiation may take on a life of its own as you act spontaneously, leading you to shift gears and tactics.</p>
<p>8. <i>A process in which a party adapts as they learn from the process (or do not)</i></p>	<p>Being self-aware can be more than a recognition of your internal state. It can also be the extent to which you are learning in the moment as you negotiate, discovering what creates movement in the other party and what does not. Some negotiators are highly successful because they are able to innovate, adapt, test, and refine their approach in the moment and from one situation to the next.</p> <p>You might, for example, develop a mental checklist that you can review to quickly determine whether your approach is working, imagine how close you are to getting an acceptable offer, or determine how close you are to deciding it is time to walk away.</p>

THE CONTENT, PROCESS, AND PSYCHOLOGY OF NEGOTIATION

LEARNING OBJECTIVE

LO 1.2 Recognize the content, process, and psychology shaping every negotiation.

Even as we consider the process surrounding and the psychology underlying a negotiation, we must also recognize that negotiation content can become quite varied and complex. The content of a negotiation may include the following:

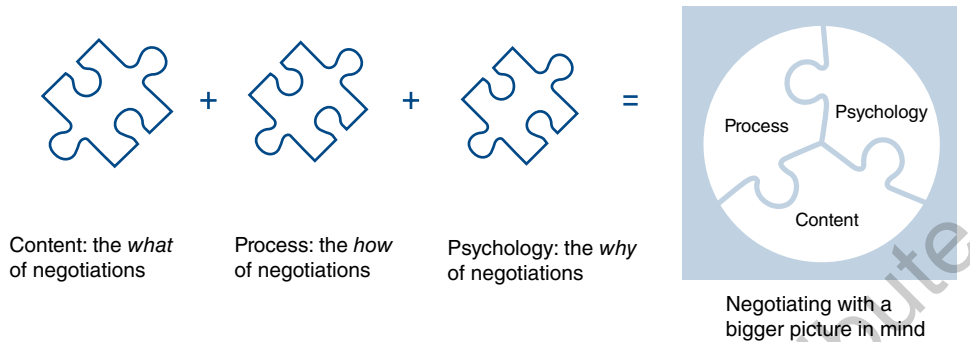
- *Simple product exchange.* This is the negotiation of goods and currency or barter of one set of goods for another (my cow for your horse or two of your horses), with no commitments beyond the immediate exchange.
- *Service exchange.* This is the exchange of goods/currency for services or the bartering of services for other services in return. Procuring a massage at the health spa or a ride on the Ferris wheel at the county fair are examples. The simpler the exchange, the less negotiation required; however, if one begins exploring adaptation of such services, such as purchasing a higher volume or a creative payment option, some degree of negotiation is possible. Similar to simple product exchange, there is no ongoing commitment after the service is provided.
- *Product or service exchange with ongoing services attached.* This can most easily be thought of as the purchase of a product with a service guarantee; for example, a dentist who will have you return if a filling doesn't feel quite right after the work is done. How many times you can return and within what time frame with no added fee is often the unstated negotiation. Business owners and professionals can usually share stories of clients who exceeded their expectations regarding how much or for how long the ongoing services were to be provided.
- *Restricting behavior or representation of self/constituents in the future.* These are situations where parties explicitly ask for or offer to carry out particular behaviors and actions over time as a result of the negotiated agreement. Examples include a nondisclosure agreement attached to an offer of employment or an agreement not to hold a company liable in the future for actions that occur in the course of delivering services (e.g., if you are injured when you are on a group kayaking trip). These types of offers and counteroffers are often included within dispute resolution and mediated settlement of differences.
- *Committing to initiate behaviors or processes in the future.* These are negotiations in which the follow-up is a process, not merely a behavior. Common illustrations on the global scale might be when a ruling party agrees to hold elections to satisfy the demands of other groups or to de-escalate arms or military action. Civil disobedience is often some form of disruptive behavior through which parties seek to have a greater voice, to have their concerns addressed, or to initiate public action around an issue in response to their immediate behavior.

Sometimes a combination of the elements above becomes the content of negotiations and sometimes these elements are bundled together in ways that make negotiations more complex. Further, any of these offers can be specific, quantifiable, and made with time-based delivery requests; they can also be vague and subject to future interpretation as to whether the letter and intent of agreement was fulfilled. Since the future is not fully predictable, it may be impossible or not advisable to be specific, quantifiable, or time based. Here is where trust, integrity, and goodwill become bigger factors in negotiations and where reputation and relationships impact our choices in how we negotiate with others. To add one more layer of complexity, which we delve into in later chapters, some negotiation situations are embedded in “high context”; it is assumed the parties share common assumptions and rules of behavior, as if they are all insiders of the same clan. The successful outcome of negotiations may depend on display of that shared context and knowing how content and process of the negotiation are to be handled.

Visualizing Negotiations

For many people, negotiation may feel a bit like a puzzle with different pieces you need to assemble to get a fuller picture of what you are doing. In that spirit, it may help to think of negotiation most simply as a combination of three big puzzle pieces: content (the *what* we are negotiating for), process (the *how* behind our negotiating), and the psychology underlying our behavior and that of others (*why* we are negotiating as we do). If you don't consider the content of what you are negotiating for, which is the first of the three broad pieces of the puzzle, you may end up ending a negotiation with more than you need or want, and the other party can easily include extras in the deal. For example, if you simply want a car and let the dealer insert an array of options, you will indeed have a car but you may be paying for features you don't really need or desire. We will go much deeper into the content of negotiations and how you assess the *what* of your position as well as the *what* of the other party's position. The second puzzle piece—process—is the *how* of negotiating. When you or someone else establishes a time frame for a negotiation (such as an offer that is only good for the next 10 minutes), this is a process tactic and you accept that you are going down a particular route of deal or no deal. As we will see in later chapters, there are many ways to assess, influence, and manage the process of negotiations. The third puzzle piece is the *why* of negotiating, which we refer to as the *psychology of negotiations*. Understanding your motives and those of the other party gives you a much fuller picture of what makes a deal possible and where you may be able to influence the process and outcome of the negotiation. Knowing that the most profitable part of any dealer's car sale is getting the buyer to finance the car through the dealer, for example, gives you an opportunity to get the dealer to bundle in other features if you are open to financing the car. Knowing you feel high urgency to get a particular car or with features in high demand or that you don't want to wait if the car isn't immediately available may also influence the dealer's approach to negotiating with you.

Figure 1.1 provides a visual representation of negotiations as a puzzle, made up of three broad pieces: **content** (*what*), **process** (*how*), and **psychology** (*why*). The content, process, and psychology of any negotiation each have multiple elements, as we have seen in this chapter and will develop further throughout this book. Furthermore, the complexity of any one of

FIGURE 1.1 ■ The Negotiation Puzzle

these can dominate our focus, which is why negotiations can be so varied and look different depending on the people involved. While there are any number of tips and techniques you can list in anticipation of or while engaging in a negotiation, the key is to be able to recognize the content, process, and psychology that shape every negotiation. Doing so will provide you with a bigger mental picture and help you to remain mindful of your overall objectives. This will also help you to see why, where, and when so many techniques are situationally effective. The image of a puzzle in Figure 1.1 allows us to visualize several different ways negotiations can proceed. One way, which we consider preferred, is when content, process, and psychology all combine to create a picture of an integrated negotiation approach. A second way is for one piece to dominate the negotiations (as if it were a bigger piece of the puzzle), such as when a negative psychological state prevents us from effectively addressing the content or process of the negotiation opportunity. A third possibility is when the three components don't combine into an integrated and dynamic approach (perhaps the puzzle pieces don't easily fit together) but instead have to be treated sequentially. We see this when one side in a labor-management negotiation won't even put content issues on the table until they are satisfied that a fair negotiation process is in place, and all later negotiation activity will halt if the process seems to change or deteriorate. Whether you choose to negotiate or not, it is to your advantage to have a bigger picture of the situation—to understand the what, how, and why—so that you can negotiate at your best.

THE PURPOSE OF NEGOTIATION

LEARNING OBJECTIVE

- LO 1.3** State the purpose of negotiation, providing an example of why you would enter into a negotiation.

In its simplest form, the purpose of negotiating is for two or more parties to interact and come to an agreement that will allow them to accomplish something together that they couldn't do alone. The purpose of negotiations may also be for parties who disagree to interact to solve a dispute or manage a conflict. If they come to an agreement, the deal is intended to guide or govern how they'll work together or how they'll make an exchange. This implies the following:

- The parties recognize they have not yet come to an agreement about some exchange or set of expectations.
- One or both parties seek to come to an agreement.
- The agreement is intended to guide, govern, and set expectations for behavior, now and/or in the future.
- The negotiated agreement secures commitment (or at least compliance) to a course of action.

All of the above may come into play if you and a friend are planning a trip to another city. You might need to come to an agreement about how you will travel, whose car you will use, who will pay for gas and tolls, and how you will share additional travel expenses. You will need to decide how you will split the costs of meals, whether you will set limits on how much food or drink each can choose to order or simply have each person pay for their own meals. If the two of you are planning to stay at the home of relatives, you may need to set expectations regarding the rules of the house or how to interact with the hosts.

There are additional purposes to negotiating:

- to discover the other party's interests, including what they *aren't* interested in
- to discover where there is flexibility in the other party's stated position
- to buy time from the other party while you and your colleagues are exploring options, priorities, and preferences. This can allow you to sidestep a take-it-or-leave-it offer and consider what else may be possible.
- to establish precedent for future discussions and negotiations
- to reduce some of the built-up tensions between parties and perhaps even allow for a cease-fire of hostilities
- to bundle or unbundle a complex offer (goods, services, ongoing services, future representation, future behavior) so that some other level of agreement becomes possible

To continue the above illustration, in preparing for a trip together, two people may have a conversation about what each prefers to do on a visit to a new city, what they consider as must-do activities, what they are willing to do if it is important to the other party, and what they are

unwilling to do. As you can imagine, sometimes these conversations are not settled all at once and may even continue while the trip is underway.

As we see from the above example, the purpose of negotiation is often much more than simply getting as much as you can or getting the best price.

Why Should I Negotiate with You?

On occasion we may ask, “Why should I negotiate with you?” Quite simply, if you decided to negotiate with others, it’s quite likely they have something you desire. You may have inquired about it but have been told that the only way you can get it is under certain terms you don’t necessarily like. The person you’re negotiating with may be the only one who has what you desire, so your choice is either to walk away or find some mutually agreeable terms.

Perhaps the other party is one of multiple people who can provide what you need, but you don’t know what the best offer might be. You may negotiate with the other party, seeking to find the lowest price and knowing that if you walk away, you still have other options.

In other situations, you might need the other party’s assistance to move forward with your broader intentions. For example, perhaps you are a journalist and want to arrange to interview someone on a certain day. They are very busy, and you must coordinate with their administrative assistant. Scheduling the meeting may depend on your willingness to adapt which day, what time, and for how long you are willing to meet.

There are, of course, many other factors that can impact why you choose to negotiate with a specific person, particularly when given the option to negotiate with others. A particular person may seem more trustworthy than others and perhaps you value that over simply getting the best price. Or someone may offer some follow-up guarantee that provides you with greater confidence that you will remain satisfied with a purchase.

One other key factor is your assessment that the other party can in fact commit to an agreement or, at a minimum, negotiating with them is an essential step to getting an agreement with the person or group that can commit to an agreement.

Whom we choose to negotiate with has to do with the immediate terms of the potential exchange but can also include our assessment of what options we have, how much we trust the other party, and what other inducements might be attached to the exchange.

COMMON NEGOTIATION ASSUMPTIONS: MYTHS VERSUS REALITY

LEARNING OBJECTIVE

LO 1.4 Differentiate between the myths and realities of common negotiation assumptions.

An **assumption** is a condition that is accepted as given or true. Sometimes assumptions are considered true without any proof; we take it for granted that this is what successful negotiators

think or do. At other times, an assumption is a hypothetical condition that allows us to say, “Given *X*, behavior or result *Y* will happen in response.” These are most easily recognized as if–then assumptions. Some common assumptions about negotiation include the following:

- It's all about winning.
- Never make the first offer.
- Always ask for something you are willing to give up.
- Be ready to walk away.
- You can't negotiate with someone you don't trust.
- Poker players make the best negotiators.
- The best negotiators have to think fast.
- If you are a hard negotiator, the other party will respect you more.
- If you are too honest, the other party will take advantage of you.

RESEARCH INSIGHTS

The level of trust that two people have for one another can deeply affect their negotiations. When trust is high, both the process and the outcomes of a negotiation tend to work out better. People who trust one another are more collaborative, and because of this, they are more likely to overcome conflicts, share information and creative insights, and create successful agreements. But what if you are negotiating with someone you don't know? How would you decide whether to trust a person you've never met before? How do they decide whether to trust you?

If you've never met the person with whom you are negotiating, you will have to rely on cues to determine whether the other person is trustworthy. An interesting research study by Belkin and Rothman (2017) shows that we make judgments about people's character, intentions, and competence based on their verbal and nonverbal emotional expressions. So, the old assumption that you should never express your emotions might not be true.

Two researchers, Belkin and Rothman (2017), recruited over six hundred people who were 21 years of age or older to engage in negotiation simulations and other activities with strangers. From this study, they found that expressions of anger and ambivalence reduced trust, whereas expressions of happiness increased trust. When strangers saw verbal and nonverbal expressions of anger and ambivalence from their negotiating partners, they tended to assume lower character, lower competence, and lower good intentions. When strangers saw verbal and nonverbal expressions of happiness from their negotiating partners, they tended to assume higher character, higher competence, and higher good intentions. In turn, they had higher levels of trust with those they perceived to have higher character, competence, and good intentions.

The conclusion is that positive expressions of emotions lead to perceptions of moral character, solid competence, and good intentions, which lead to feelings of trust and to better negotiation outcomes. On the other side, negative expressions reduce trust, which leads to lower negotiation outcomes.

Specifically, negotiators that want to build trust and ensure cooperation from their partners in first-time exchanges and/or in settings fraught with high uncertainty may want to avoid not only appearing angry, but also ambivalent. By contrast, our findings seem to point out that positive emotional displays, such as expressions of happiness, may not only help to increase initial trust in both competitive and cooperative contexts, but also may increase others' willingness to share and willingness to treat others fairly in cooperative settings. (p. 20)

Assumptions are beliefs about people, ideas about cause-and-effect relationships, and understandings about how the world works. **Myths** are beliefs we use to guide our actions that we assume are grounded in truth when they often are not. They may be based upon previous experiences we or others have had. They may even be widely used. Myths are common beliefs often based on a story. The story may be compelling enough that the inferred belief sounds reasonable, so we don't question its validity. Sometimes the inferred lesson is simply false; at other times, the belief holds for some situations but not all. The myth isn't that the belief is always false but rather the myth is that the belief is always true! We can think of these as half-truths: true in some but not all situations. Context matters, and there are few universally generalizable statements about negotiation. Situations differ enough that we are better off understanding the situation and determining a course of action rather than blindly applying general rules based on myths and deeply held assumptions. In Table 1.2, we illustrate common negotiation assumptions as myths and consider reality (when they may be accurate and when they are not).

Let's consider the above with the following example. John and Angie are at a flea market where it is common to negotiate and bargain for items. John, who claims he learned all he needs about negotiating from watching tough guys in the movies, tells Angie that the key is to always have a poker face, negotiate hard and fast, and walk away if you aren't going to get exactly what you asked for. He also seems to think that giving someone a hard stare makes him look like he is

TABLE 1.2 ■ Common Negotiation Myths versus Reality

<i>Myth</i>	<i>Reality</i>
It's all about winning.	Maybe this view sells popular books and sounds good on a reality television show, but the best agreements are about both sides feeling they got enough of what they were looking for. There is also the reality that you can win in the short term but negotiate in a style that damages your integrity or limits how effective you can negotiate in the long term. In the end, winning is how you define it, and that definition can evolve even in the midst of a negotiation.

TABLE 1.2 ■ Common Negotiation Myths versus Reality (Continued)	
<i>Myth</i>	<i>Reality</i>
Never make the first offer.	This is a popular belief but can be unfounded, given research on a phenomenon known as <i>anchoring</i> ; the first offer sets the upper or lower limit for the other party when they may have been willing to go higher or lower. While that may lead you to hold off in making an offer, there are also situations where the first offer sets expectations around the <i>what</i> and <i>how</i> of negotiation or may be a gesture of good faith. In practice, make the first offer when you are well-prepared but don't do so if you are not well informed.
Always ask for something you are willing to give up.	While it helps to be able to make concessions that don't break your heart or budget, assumptions about this tactic can lead people to load up on many requests, complicating the process. When communicated poorly, this can also lead the other party to question your integrity and see gamesmanship, leading them to artificially add to their list of requests. At worst, the negotiation deteriorates to a game of ferreting out real versus pseudo offers, detracting from the quality of the interaction.
Be ready to walk away.	This is true in most negotiations; however, the behavior or threat to walk away is sometimes overplayed and dramatized, leading opposing parties to counter with their own displays of dramatic behavior.
You can't negotiate with someone you don't trust.	You can, but you need to have process markers, documentation, and governing agreements to ensure compliance with what is agreed upon. Think about nuclear disarmament negotiations: Trust is lacking on both sides, so many steps are built into the process to verify and validate offers, to ensure visible compliance, and even to provide consequences for breaking negotiated agreements.
Poker players make the best negotiators.	You probably believe this statement if you come from a card-playing family or fancy yourself a skilled poker player. In fact, this is one form of negotiation: calculating the odds of yourself and others having certain hands, watching others for signs of confidence (or a lack thereof), and betting to drive others' behavior in response. It might be helpful in the market when one is bidding for a product or service or bidding against others. Poker, however, has a well-defined set of rules and has little to do with negotiations over values and relationships. People may lose money in a poker game, but this has less to do with negotiating for the future of a team or an organization or a relationship between two parties over time.
The best negotiators have to think fast.	Speed of analysis or creative ideation can be a true asset when juggling multiple options, assessing the value of different offers, or translating from one currency to another. However, many negotiators are very intentional when setting up a process of negotiation, allowing themselves the opportunity to slow or manage the pace, pause the timing of a counteroffer, or ensure they have time to check back with their own stakeholders. In these situations, speed of thought is still helpful but not absolutely essential to successful negotiations. We counter this myth with an alternative view that the best negotiators focus on setting the stage for successful negotiations, allowing them to pause the process when doing so would be helpful to their goals.

(Continued)

TABLE 1.2 ■ Common Negotiation Myths versus Reality (Continued)

<i>Myth</i>	<i>Reality</i>
If you are a hard negotiator, the other party will respect you more.	This may be true at times, but this may lead the other party to not want to negotiate with you if they have options to work with others. Hard negotiators may build an affinity with others who are equally hard negotiators; never forget the importance of the relationship between parties as they negotiate over time.
If you are too honest, the other party will take advantage of you.	The fear of being taken advantage of can drive you to start out distrusting the other party or to spend energy trying to disguise your own interests. Another party can only take advantage of you if you are willing to let them do so. Being candid and clear about what you want to achieve is a way to demonstrate integrity early in a negotiation; you can observe if the other party responds in kind.

in charge. Angie, a little bemused by his confidence, doesn't say anything but decides to watch him as they walk. As you might imagine, John isn't having much success and rationalizes this as other people not wanting to negotiate. Angie then goes to another dealer and tries some different tactics: She greets the person with a smile and asks how their day is going; she goes over to a set of three items and states, "These are really nice, but I only have room for one of them, would you be willing to sell just one?" The seller suggests she take two, and she pauses, only to reply, "I like them, but I only need one." The seller counters, "I can sell you one but at 50% of the price for three." Angie again pauses to show she is thinking and then counters, "I can understand why you might ask for that, but I can only afford to pay one-third the overall price for one. If you don't want to sell it at that reduced price, I'll understand." The seller responds, "You are such a nice person, you can have one for a third of the larger price." Angie completes the negotiation and smiles as she turns to John, saying, "I guess you didn't see that one in the movies!"

PHYSICAL AND EMOTIONAL REACTIONS TO NEGOTIATING

LEARNING OBJECTIVE

LO 1.5 Describe why exhaustion or exhilaration can occur when negotiating and provide an example of each.

Talk with any parent who has spent a few hours trying to get young children to bed and keep them in bed, and you will see evidence of the emotional side of negotiations. While most parents can opine on the structure and rules they have established for their children's bedtime, they can also tell you how their children creatively negotiate for time, attention, and exception to the rules. Some will dispassionately tell you they engage in these nightly negotiations, expecting it to play out and eventually wear down their children; others will tell you how exhausted they become in the process, even shifting from a "happy family bedtime" approach to a "bedtime now or else" approach. They may

also note that if they are tired, hungry, or distracted by other concerns, they are not at their best, so it becomes challenging to negotiate as they would hope to, even with their own children. Other parents celebrate when their bedtime approach—whatever it was—worked and they now have come away with what they were seeking: sleeping children and a few hours of peace and quiet.

The above example is one of many. Depending on the situation, the context, and the people involved, negotiations can be fraught with a sense of uncertainty, risk, pressure, fear, and even the feeling of achieving something unprecedented and wonderful. All of this is why we have both physical and emotional reactions when negotiating, in anticipation of negotiations, and even when we reflect back on past negotiations. For some people, that emotional load is one of the reasons they prefer to avoid negotiations. Others may do the opposite and relish the emotional experience. Our view is that the better you can appreciate the varieties of the physical and emotional experience associated with negotiations, the better you can make your own choices in how to manage yourself and the negotiation situations in which you find yourself.

When Is Negotiating Exhausting?

For some people, the idea of negotiating is simply exhausting, especially as they contemplate or experience any of the following:

1. *When you feel out of control.* This is particularly evident when you have to negotiate with another party but have the sense you can't win and you can't break even—you can't even quit the game! This includes times when you are tired, hungry, or distracted by other events and demands, all of which can sap your energy, focus, and ability to negotiate with full attention and command of yourself.
2. *When you are constantly worried about being taken advantage of or don't fully trust the other party.* Not trusting the other party leads to constant vigilance, even second-guessing when agreements seem likely.
3. *When you can only think about what went wrong in past negotiations.* It's more difficult to negotiate in the present when your mind is clouded by a memory of miserable past negotiations.
4. *When you don't have time to analyze your options.* Negotiation often means tradeoffs, and these can be intangibles that are not easily quantified. Sometimes you need time to determine if you are getting more or less and to what degree. Some negotiations are designed to be time based, which favors those who are quicker to analyze options. Some negotiations greatly benefit those who have the advantage of being able to quickly calculate the relative value of different tradeoffs.
5. *When other members of your own team can't agree on priorities.* A person who is negotiating on behalf of a team or organization has a complex role, but it becomes all the more complicated if the members of the team can't agree on priorities, are at an impasse among themselves, or give mixed messages to the delegate who is to negotiate on their behalf.

6. *When you think you are likely to be blamed if you don't get everything that everyone is expecting.* Many representatives involved in union–management negotiations will fight brilliantly for the best deal possible. Yet when they return to inform their own team of the tentative agreement, they are chastised for giving up too much or for being too soft on the opposing party!
7. *When you have to choose among several undesirable options.* Sometimes there is no good choice and you find yourself negotiating to make the most of an undesirable situation.
8. *When the other party is overly emotional.* In the course of negotiations, either party can become tense, accusatory, or angry or display a wide range of other emotions. Sometimes these are real and sometimes these are manufactured as a tactic; either way, they can be emotionally draining and distracting from the issues at hand. Some negotiators look for emotional signs in the other party as a clue to their mental state and readiness to make concessions.
9. *When the other party doesn't understand your message or intent, no matter how many times or ways you say it.* Our biases and our ability to evaluate offers impact how we assess a negotiated stance. We may offer some logic to bolster an agreement to which the other party simply does not relate.

When Is Negotiation Exhilarating?

Just as negotiation can be exhausting, it can also be exhilarating:

1. *When you get the agreement that you were seeking.* Getting what you set out to achieve can feel wonderful.
2. *When you help others to achieve their goals.* Often, we are not negotiating only for ourselves but also on the behalf of others.
3. *When you are prepared.* It's a great feeling to be in a negotiation and be confident that you are on top of your facts and know the game plan, your target, what you are willing to concede, and under what conditions you are ready to walk away.
4. *When you aren't afraid.* Confidence is a key aspect to many negotiations, and fear, when visible to the other party, can make it more challenging to stick to your position.
5. *When you are one step closer to your larger goal or vision as a result of negotiating a set of conditions.* Many times, a negotiation is one step toward a bigger, more comprehensive goal. For example, successfully negotiating terms of a lease for a store is important, but the real goal is to open the store and conduct business from it.
6. *When you come up with a creative idea to break an impasse between you and the other party or when you are able to reframe the stalemate into a workable set of tradeoffs.* Many negotiations stall or come to an impasse, and one party (or even both) may

doubt a mutual agreement is achievable. To then step back, engage your creative skills, innovate around the terms of the agreement, and bundle or unbundle issues so they can be more easily negotiated are all examples of a creative approach to negotiations.

7. *When you come away from negotiations feeling better about yourself and the other party.* Disputes can become heated; parties develop less-than-positive feelings about the opposing side or they come into negotiations with a predisposed mindset. When we bargain in good faith, come up with novel solutions from both sides, or get to know the opposing party for more than the issues under dispute, we open up the opportunity to feel better about the other party and better about ourselves for how we worked with them.
8. *When you hold firm to your values and the other side comes around.* Some of the more tense negotiations are when we don't see eye-to-eye on issues that reflect deeply held values. The easy route might be to give in or make concessions merely to be done with the impasse. The harder route is to stay the course, continuing to engage the other party and trying different approaches to help them see your point of view. Maybe you also come to appreciate their point of view. The exhilarating part is the breakthrough, when they begin to appreciate what matters to you and are willing to make concessions in that direction. You might also see their point of view and discover concessions that can be made to accommodate the other party's desires without compromising your own.
9. *When you avoid something bad happening to others as a result of your negotiation skills.* Negotiations can feel like a high-stakes game of cards but if you don't succeed in obtaining what you set out to achieve, it can have a disastrous impact on others. Attorneys know this when they negotiate on behalf of a client and make a less-than-perfect deal but know they minimized the risk of a really bad outcome. Many negotiations result in a winning outcome for both sides and it can feel exhilarating when you have negotiated a deal that is not only good for you but has helped the other party out of a bad situation.

This is why we have physical and emotional reactions when negotiating. Feelings of exhaustion and exhilaration occur not only during a negotiation but also in anticipation of negotiating or even when we reflect back on past negotiations. For some people, that emotional load is one of the reasons they prefer to avoid negotiations. Others may do the opposite and relish the emotional experience. Many people experience both fear and excitement as they consider negotiating, depending upon the situation. They may enjoy the negotiation experience as it occurs, then find they are exhausted afterward. The more you appreciate the varieties of physical and emotional experiences associated with negotiations, the better you can make your own choices regarding how to manage making deals and creating agreements. Increased attention to your personal reactions can help you separate that inner voice from external negotiation activities. Upon reviewing the above lists, you may see even more ways in which negotiation can become exhausting or exhilarating.

SUMMARY: CONCEPTS TO TEACH

In this chapter, we (1) defined negotiation; (2) discussed the process, content, and psychology of negotiation; (3) reviewed the purposes of negotiation; (4) discussed common negotiation assumptions and myths; and (5) showed why negotiating can be both exhausting and exhilarating. The following is a summary of what you can teach to ensure you understand each of these key points.

LO 1.1 Discuss the definition of negotiation.

Negotiation is an effort to move from divergent positions toward creating convergent positions based on each party's interests. It is a process of communication between parties, consisting of offers and counteroffers until an agreement or impasse is reached. Negotiation includes the process of giving and getting offers and acknowledging whether an offer is acceptable. It includes the exploration of the other party's motivations and concerns, as if the two parties are trying to get on the same side of a table rather than sit across from each other.

LO 1.2 Recognize the content, process, and psychology shaping every negotiation.

Every negotiation can be seen as a combination of content, process, and psychological components. Content includes the *what* of negotiations (e.g., exchange of goods or services). Process includes the *how* of negotiations (e.g., deciding who will make the first offer). Psychology includes the *why* of negotiations (e.g., the underlying mental and emotional factors that are driving a person to want to negotiate.) Similar to a puzzle, these components can be seen as pieces that provide you with a bigger picture and combine to shape the potential to come to a successful agreement.

LO 1.3 State the purpose of negotiation, providing an example of why you would enter into a negotiation.

The purpose of negotiating is for two or more parties to interact so they can come to an agreement that will allow them to accomplish something together that they couldn't do alone. The purpose of negotiations may also be for parties who disagree to interact and come together to solve a dispute or manage a conflict. If they come to an agreement, the deal is intended to guide or govern how they'll work together or how they'll make an exchange.

LO 1.4 Differentiate between the myths and realities of common negotiation assumptions.

We shouldn't assume that the approaches and tactics we normally use will apply in every situation. Some common assumptions include the following: (1) it's all about winning; (2) never make the first offer; (3) always ask for something you are willing to give up; (4) be ready to walk away; (5) you can't negotiate with someone you don't trust; (6) poker players make the best negotiators; (7) the best negotiators have to think fast; (8) if you are a hard negotiator, the other party will respect you

more; and (9) if you are too honest, the other party will take advantage of you. These assumptions are not always true.

LO 1.5 Describe why exhaustion or exhilaration can occur when negotiating and provide an example of each.

Negotiations can have a strong emotional component. Negotiating can be exhausting when you (1) feel out of control, (2) are worried about being taken advantage of, (3) can only think about what went wrong in past negotiations, (4) don't have time to analyze your options, (5) can't agree with your team on priorities, (6) think you'll be blamed if you don't get everything that everyone is expecting, (7) have to choose among several undesirable options, (8) feel the other party is overly emotional, or (9) fear the other party doesn't understand your intent, no matter how many ways you say it. Negotiating can be exhilarating when you (1) get the agreement that you were seeking, (2) help others to achieve their goals, (3) feel prepared, (4) feel unafraid, (5) are one step closer to your larger goal, (6) come up with a creative idea to break an impasse, (7) come away from negotiations feeling better about yourself or the other party, (8) hold firm to your values and the other side comes around, or (9) avoid something bad happening as a result of your negotiation skills.

APPLICATION EXERCISES

Apply what you've learned by engaging in the following application exercises: self-assessment, application activities, everyday negotiations, negotiation challenge, and discussion questions.

Self-Assessment: Understanding Negotiation

There are many benefits that come from understanding what negotiation actually is, how it's defined, the key components (content, process, and psychology), and why you negotiate (purposes). It's also helpful to anticipate the fact that negotiating can be both exhausting and exhilarating. This self-assessment will increase your awareness of how you handle these important foundational conditions, including the decisions you make about how and with whom to negotiate. The self-assessment is most helpful if you answer each question candidly.

INSTRUCTIONS

Rating Scale

Below are several statements with which you may agree or disagree. Please rate each of them on the following scale:

6 = Strongly Agree

5 = Agree

4 = Slightly Agree

3 = Slightly Disagree

2 = Disagree

1 = Strongly Disagree

LO1: *Negotiation Definitions*

When I negotiate, I always make sure that I . . .

1. ____ consciously remind myself that negotiating is moving from differing positions to converging positions based on each party's interests.
2. ____ clearly communicate offers and counteroffers that hopefully lead to agreement.
3. ____ explore the other party's motivations, interests, and concerns.
4. ____ visualize the two parties as trying to get on the same side of the table rather than sitting across from one another.

LO2: *Negotiation Components*

When I negotiate, I always make sure that I . . .

5. ____ consciously remind myself that content, process, and psychology shape the outcome of a negotiation.
6. ____ identify whether the content of the negotiation will be mostly about resolving a conflict or exchanging goods and services.
7. ____ plan the general steps of the process of the negotiation.
8. ____ ask myself what needs are motivating me to negotiate.
9. ____ ask myself what needs are motivating the other party to negotiate.

LO3: *Negotiation Purpose to Elicit Help*

When I am trying to accomplish a goal, I always make sure that I . . .

10. ____ identify which parts of the goal that I cannot do alone.
11. ____ identify who I might partner with to help me accomplish the goal.
12. ____ attempt to negotiate agreement with those who can help.

LO4: *Negotiation Myths*

When I negotiate, I assume that in every situation, I should . . .

13. ____ always focus on winning, no matter what.
14. ____ never make the first offer.
15. ____ always let the other person save face.
16. ____ never negotiate with someone I don't trust.
17. ____ always use a poker face.

LO5: *Negotiation Emotions of Exhilaration and Exhaustion*

When I negotiate, I typically feel . . .

18. ____ out of control or worried that someone is going to take advantage of me.
19. ____ stressed about past negotiations that went poorly.
20. ____ worried about not getting everything that I or others are expecting.
21. ____ confident that I will go into the negotiation well-prepared.

22. _____ excited that I will be able to come up with a creative solution.
23. _____ optimistic that I will be able make a deal and come to an agreement.

Scoring:

Look over the items rated 5-6. These are the behaviors and tactics you consistently apply to increase your success as a negotiator. How do you think this reflects the way others experience you as a negotiator?

Look over the items rated 3-4. These are the behaviors and tactics you probably apply in some situations but not others. Make note of a few situations where you are more likely to apply these actions and a few situations where you are less likely to apply these same actions. How can you remain mindful of these situations and apply your best actions more often in more situations?

Look over the items rated 1-2. These are behaviors and tactics you seldom apply in negotiations. Pick out one or two and make note of the potential benefit of incorporating these actions into more of your negotiations.

Application Activities

To reinforce your learning, complete one or more of the exercises below.

1. Write down the best and worst negotiation experience you can remember.
 - a. What was the situation?
 - b. How did it play out?
 - c. What made one situation the best experience and the other a less positive experience?
 - d. What memory of each stands out most for you?
 - e. What part of those memories is visual (you recall how the situation looked, as if you were in a movie), what part is auditory (you recall the conversation and the pacing of the dialogue), and what part is emotional (you recall specific feelings—positive or negative—associated with the negotiation)?
2. What have you learned about negotiation in this chapter? List at least three guidelines you would suggest to someone else to keep in mind.
3. Interview three people about their lessons learned and their beliefs of what skilled negotiators do.
 - a. What are the lessons each has learned about negotiating?
 - b. How is this similar or different from your own lessons of experience and beliefs?
 - c. What is different about the context of their negotiation experience that might lead them to believe what they shared with you?
4. Write down your development goals.
 - a. What do you want to learn about negotiation as an outcome of reading this book/ taking this course?
 - b. What do you hope will be different over time or that you will be able to do differently in the future?

5. In each chapter, we will share a story that you might easily observe or even have been part of at some point. We invite you to keep track of your own everyday negotiations, along with the stories and lessons that help you continue to refine your own view of negotiations. Read the following everyday negotiations story.

Everyday Negotiations

A man walks into a bar; he approaches the bartender and says, “I’d like a vodka twist. In fact, I’d like the two-for-one happy hour special.”

The bartender says, “The happy hour special ended at 6:00 and it’s 6:05. How about if you have one now at regular price and come back tomorrow during happy hour?”

The man says, “Couldn’t you make an exception, since it’s almost 6:00?” The bartender replies, “Buddy, I can’t do that for everyone; you’d have to get everyone here to be okay with my adjusting the time just for you.”

Suddenly, the man starts to play a tune on his smartphone speaker and breaks into a song—not just any song, but one by the band, Chicago: “Does Anyone Really Know What Time It Is?” As he sings, he climbs up on a stool and captures the attention of everyone at the bar. When he gets to the line, “Does anyone really know what time it is?” the patrons go wild as the man gets them applauding and singing along.

The bartender starts to pour two vodka twists and says to the man, “Not bad. If you are willing to do it again, now singing Sinatra’s ‘I Did It My Way,’ I’ll give you both drinks on the house.” The man sings, the crowd goes wild, and people start ordering more drinks, saying this bar is great.

Answer the following questions:

1. Who was negotiating?
 - a. The man who came into the bar
 - b. The bartender
 - c. Neither
 - d. Both
2. Who improvised over the course of coming to an eventual agreement?
 - a. The man who came into the bar
 - b. The bartender
 - c. Neither
 - d. Both
3. How did the man get the bartender to change his initial position?
 - a. He recognized that the bartender’s position was tied to the other patrons.
 - b. He surprised the bartender and the patrons as he broke into song.
 - c. He got the other patrons to show public support for him.
 - d. All of the above

The answer to all three questions is d. The real test is whether you can recognize and act on negotiating opportunities as they surface.

4. Imagine you are the bartender in this scenario.
 - a. What could make this negotiation situation exhilarating for you not only in the moment but also when you review it at the end of the night?
 - b. Now imagine that word about this gets out and a different set of people come in every night at different times, some without good singing voices. What might make this negotiation situation exhausting for you, even before your work shift begins?

Negotiation Challenge

Why would I want to negotiate with you? Why would you want to negotiate with me?

The following activities increase your awareness of how to position the opportunity to negotiate with others and how you respond to others as they attempt to negotiate with you.

Work with a partner on the following activities.

1. Person A: Imagine you have a box of paperclips and you want to sell them to your partner. Your partner is going to be initially resistant, so you have to be creative in your approach. Think about what you have to offer them, what value the paperclips can have for your partner, and what you want in return. Note: What you want in return doesn't have to be money; you can choose to barter.
2. Person B: You can choose to be resistant but need to remain in conversation to see how Person A tries to engage you in a negotiation. Think about what you might offer in return if they can convince you that this is something for which you might have interest. Also think about what else you might want along with the paperclips. Note: You don't have to be constrained by what they start out offering or ask you to provide in return!
3. Give yourself up to 10 minutes to see if you come to terms. Pay attention to your own internal response to your partner. When are you more engaged in this opportunity and when are you simply passing time? Also, pay attention to what seems to be persuasive to them as well as to yourself. Be creative and be spontaneous.
4. Try this a second time, this time switching roles and instead of negotiating over a box of paperclips, look around the room and identify something you want to negotiate for with your partner.

Before you commence, take a moment to review the reflection questions that follow the conversation you are about to have. For each situation, monitor and plan to discuss the following with your partner:

1. Why did you/didn't you want to respond to the other person's offer to negotiate? More specifically, what felt inviting and what did not?
2. When you were trying to get the other person to participate in a negotiation with you, what worked and what did not? How did you modify your approach, innovate, or get creative to increase the other person's readiness to engage with you?

Discussion Questions

1. How do you define negotiation?
2. What is the process of any negotiation?
3. How does it help a negotiator to distinguish among the content, process, and psychological components of a negotiation?
4. What can go wrong if you focus only on the content of a negotiation and ignore the process or the psychological components?
5. What is the purpose of negotiating versus having a firm offer with no opportunity to negotiate?
6. List three common assumptions about negotiations that are largely myth and contrast each with the reality of that assumption.
7. List several ways that negotiating can be emotionally exhausting.
8. List several ways that negotiating can be emotionally exhilarating.

KEY TERMS

Assumption

Content

Myths

Negotiation

Process

Psychology