

Negotiating Capability Survey Report

Organisation IAPI
Reviewing Consultant David Bannister

Date 14 November 2017

Introduction

The Negotiating Capability Survey was answered by 60 respondents. We have reviewed the responses and set out below the main features of the responses and our own observations and comments. We have gathered data from over 2300 respondents at the time of drafting this report and where we make reference to “average” responses, it is to the meaning of this population of 2300 respondents that we refer.

Core concepts

Here we examine the options which people consider when confronted with conflict, how they analyse the power balance between themselves and others with whom they are negotiating and the extent to which they establish whether a negotiated outcome will be possible and desirable.

- Overall, the respondents to the survey indicated a degree of satisfaction with the outcomes of their negotiating which is around average in most respects. 18% indicated that when they completed negotiations the relationship has been strengthened always, 13% said that their negotiating results always create long-term value for the business, 38% said that they can always identify the benefits of the outcomes they negotiate. In our worldwide survey, we consider that the results we see are less than most organisations would wish. In this case, the results on building lasting business relationships are 10% lower than average at 23%.
- 23% of the respondents indicated that they would always prefer to use negotiation to solve conflict; as negotiation, a trading process, will always incur cost it may be that this population is choosing to negotiate to the possible exclusion of other, less expensive means of resolving conflict.
- In respect of preparation, the results for this population generally tend to be around the mean for other populations which have completed the survey. 45% will always define their desired outcome and work towards it, only 23 % will always know what they are prepared to concede in advance whereas 28% will only occasionally never know this. 27% say that there will always know what questions they need to ask when they are in the meeting with the other party and 23% always know what they are prepared to concede in advance. Although 85% of the respondents indicated that they will always or mostly have a wish list – A higher than average figure – only 5% indicated that they will always use it creatively at the end of the process, 45% will do so occasionally, 22% will never do so and 6% don't understand the concept of using a wish list.
- While 68% of the respondents indicated that they will always or mostly know what they are prepared to concede in advance, 17% said that they will only occasionally do so, 1% will never do so and 2% don't understand the concept of concessions.
- 66% of the respondents in the survey will always or mostly assemble lots of facts to sway arguments as part of their preparation.
-

- While many of the respondents apparently recognise that planning is important, only 10% will always take time out when their strategy is not working, 40% will occasionally or never do so and only 16% have a fall back plan always when they can't get a deal 36% occasionally or never have one.
- 13% of the respondents will mostly plan not to make concessions during the negotiation.
- 59% of the respondents indicated that their boss will always or mostly delegates full responsibility for the negotiation; however, 41% indicated that the boss requires always or mostly that any change of plan is referred to him/her.
- When in the negotiation itself, this group of respondents indicate that they will endeavour to establish at the outset what the other party wants however, they are likely to work out their proposals before the meeting and ensure that they make them (79% always or mostly). However, if their arguments are not accepted, this group is significantly more likely to "back off" than average - only 13% will always reinforce their view harder and only 21% will always repeat their arguments in the face of disagreement - lower than average figures where people have a pre-prepared argument. These figures may be explained by the fact that 42% of the respondents will always or mostly prefer to avoid conflict to maintain harmonious relationships and 65% will do whatever they can to avoid deadlock. There is also an indication of inflexibility in their proposal making in that 57% will always or mostly stick to their position when they have made a proposal; despite saying that they wish to avoid deadlock, this approach is likely to cause it.
- Looking at the perceived power balance, the respondents indicated in 16% of cases that the people they negotiate with will always or mostly have the advantage over them and 57% will occasionally are seen as having an advantage. They are also unlikely to avoid negotiations by just saying "No" – a further indication that this group may perceive itself to be at the weaker end of the power balance.
- Although 30% of the respondents indicated they will always have a good enough understanding of what the other side wants to make an effective counterproposal, only 10% say that they will always make effective counter proposals.
- 15% of the respondents will always trade to gain benefit but 28% will either do so only occasionally or never, 5% indicate that they don't understand the concept.
- 45% of the respondents indicate that they will always or mostly create goodwill by making concessions
- 3% will always concede a demand if it is made worth their while, 5% will never do so.

Core competencies

In Scotwork we believe that there is a structure to negotiating and that all negotiators will follow the 8 Steps within this structure. Our own competency framework identifies the key skill activities required of a negotiator. These include the attitude towards preparation, the positioning of an argument and the process of dialogue to discover where a potential deal might be done and what type of proposal may advance the negotiation. Bargaining to achieve a deal is critically important and the ability to build a deal suitable for and meeting the interests of both sides is an important skill. Closing the deal and leaving the relationship undamaged by the handling of the conflict is also a key competency.

Here we seek to identify some of the themes which emerge from this data and which will form the basis of our recommendations for development to improve the negotiating approach and outcomes which this group achieves. Like many groups which complete the survey, this one does not consider that it achieves the best outcomes from its negotiations and there are indications in the survey which cause us to believe that improvements in approach will be achievable and will provide consequent improvement in outcomes. The areas which are capable of development which we believe will give rise to improve negotiating performance include:

- This group appears to devote time to preparation which concentrates heavily on the assembly of facts to support arguments; concessions are planned but are based more on the cost to the proposers than they are on the value which they represent the other party; although there is evidence that the respondents will assess what is important to the other party as part of their preparation, only a quarter of them will always prepare questions and only a quarter will establish at the outset what the other party wants with just one in five always using information to manage expectations tactically during the negotiation.
- In common with many similar respondent populations, this group of respondents seems to confuse negotiation, a bargaining and trading process, with persuasion where force of argument usually based on facts and data is used to “win”. Relative conflict aversion in this population suggests that on the occasions where their argument is not successful, they do not, unlike many similar populations, choose to repeat their position – a tactic which can frequently create a deadlock.
- However, where the predetermined strategy is not working and is not producing the expected and desired results, these respondents are less likely than most to take a break from the negotiation and reassess their position in the light of the experience which they have had.
- There is a danger, therefore, that while this population says that in 65% of cases they will do all they can to avoid deadlock always or mostly, they must recognise that their relatively inflexible approach and lack of alternative strategy may actually lead them to deadlock
- Only 13% of the respondents indicated that’s when their proposal is turned down that always know exactly what to do next– 30% will occasionally or never know what to do next - it would be unsurprising, therefore, to find that this population does reach deadlock in its negotiations and, based on the data, is likely to have to seek help and guidance from the boss.

- As 45% of the respondents indicated that they feel they will always or mostly create goodwill by making concessions, it is likely that there is a risk that in the event of progress in the negotiations stalling, people in this population may offer unconditional concessions in the hope that it may create momentum.
- Few people – around a third – will always or mostly keep lots of issues in the play all the time and, as commented on earlier, wish lists are not used effectively during the process of negotiating which points to the possibility that there is a deficiency in the ability of this population to use bargaining and concession trading skilfully to gain advantage.

Preferred approach

The strategy in a negotiation will determine the outcome and will cover a variety of the activities which occurred. The ability to use your strategy flexibly while moving towards the desired objective is important. When the negotiation has concluded, the organisation should measure the results not only immediately but also how lasting they are in the longer term. Moreover, most of our negotiations with customers, suppliers and staff are done in the context of a long-term relationship and the negotiation should support that relationship and not damage it.

Preparation in this group appears to be reasonably well structured but its overall emphasis seems to be on the group's own needs and objectives and the development of an argument about why the other party should make concessions to them. Persuasive strategies are more likely to lead to deadlock. The respondents claim in the survey that they take account of the needs of the other party but there is limited evidence that their assumptions about their needs are tested properly in debate. This lack of rigour in what we describe as the "Argue" step associated with a relative unwillingness to step back when the process is not producing the desired outcome and what seems to be a lack of a "Plan B" is likely to lead this population to a situation of deadlock. There is no real evidence that these respondents are willing to re-formulate a strategy which is not working as they predicted. There is some suggestion in the survey that the approach is likely to be: assemble reasons why the other party should agree with your position then meet and argue your point. When the argument is inconclusive then there is a probability that these respondents will back off, possibly with some gratuitous concessions, or maybe to seek further instruction from the boss. We have seen how, in the survey, this group of respondents appears to indicate that they feel they generally have suboptimal negotiating outcomes. Behaviour of this kind, especially where power is either evenly balanced or not in the respondents' favour, can result in the negotiators feeling that they have not achieved the best result for both sides.

Recommendations

Development of the negotiating skills of this group of respondents should be undertaken and should concentrate on a number of areas where, the survey suggests, improvements could result and organisational benefit should be derived. These include:

- The survey indicates that this respondent population has a relatively strong preference for negotiation as a means of resolving conflict, this evidence would also cause us to question whether the respondents are able adequately to differentiate negotiation from alternative conflict resolution models. This group should understand more fully the various alternative methods by which conflict may be addressed and how negotiation is distinct from other approaches so that they are able to select when negotiating is most appropriate to the circumstances which they encounter.
- Preparation is undertaken but the preparation done serves the style of this group which, we contend, is to persuade rather than to trade. Negotiation is a trading process and, when negotiation is the appropriate means selected for conflict resolution, then it will be important for the respondents to seek to understand fully the needs and priorities of the other party and to plan during their preparation to take practical account of these needs. Trading involves making concessions – these concessions must be prepared for and their value assessed during preparation in order that the returns sought for concessions compensate adequately for making them.
- If, as the survey suggests, there is not an adequate tactical understanding of how to move from persuasion to bargaining in order to avoid deadlock, then these respondents will need to understand the importance of keeping variables in play to provide trading flexibility to the negotiators. Use of a wish list assembled during preparation is critical in the bargaining process – it will be important for them to understand how to deploy their wish list items most effectively especially in the bargaining, packaging and closing stages of the negotiation in order to provide leverage, tactical advantage and to protect their own position.
- If, as we suggest, there is a tendency to cope with impending deadlock by making concessions, then this group must understand that concessions are unlikely to foster goodwill but rather to invite further pressure. Learning to bargain, therefore, by trading to obtain value – Making concessions which are carefully considered and which are reciprocated is an essential negotiating skill. If they are able to learn and practise this skill then they are likely to find it more beneficial and less time consuming if they trade flexibly rather than retreat to the boss for further advice.
- If, as we suggest, this respondent population changes some of the emphasis during its preparation time to seek to understand the likely position, needs and priorities of the other party then it will be necessary to use the early stages of their negotiating meetings not merely to persuade but also to test assumptions, fill knowledge gaps and carefully explore and understand the other party's position in order to expose areas where agreements may be made and to review the extent of flexibility which may be required in their own objectives in order to achieve a deal. If this new information requires rethinking of their previous formulated strategies, these negotiators must be willing to review and reassess their position in the light of this new reality.