

NEGOTIATION STRATEGIES

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NEGOTIATION: THE ART OF DIPLOMACY IN BUSINESS



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In the international relations and statesmanship arena, everyone understands the difference between diplomacy and war. Furthermore, we recognize the cost of war and we only pursue it as a last resort after all efforts at diplomacy have failed. In the business arena however, the line between diplomacy and war is not quite so clear and we often confuse the two. For example, we frequently approach negotiations (a diplomatic process to be sure), as a war of wills and an attempt of one party to dominate and “conquer” the other. We deploy tricky tactics and intimidation rather than sophisticated and authentic technique. We perceive our objective as being to “win” rather than getting our needs met, and we see our counterpart as a fierce adversary rather than a collaborative partner. This confusion sabotages our relationships, erodes trust, destroys our reputation and produces sub-optimal outcomes.

In business, where it is imperative to meet our business objectives optimally and also maintain strong working relationships, we must adopt a cogent strategy of *diplomatic* negotiations. This will enhance our reputation, build trust and allow us to craft effective, productive and profitable partnerships and agreements.

Whereas the primary means used in an adversarial negotiation are tactics and intimidation aimed at winning, in a diplomatic approach, the primary means is dialogue aimed at achieving common understanding and mutually satisfying resolution. When we facilitate dialogue effectively, it generates an exchange of useful relevant information and advances the negotiations productively. This however, requires disciplined process, strong communication skills and practiced technique. Although it would be

The Primary means to effective negotiation is productive dialogue

impossible to provide a comprehensive dialogue training within an 800-word column, nevertheless, here are three techniques to get you started.

RESIST THE URGE TO IMMEDIATELY DEFEND YOUR POSITION

In a negotiation between the Steelworkers' Union and the management of a large steel company, the President of the company stood up and announced:

“We need to reduce man-hours per ton at this plant”.

Hearing this announcement, the Union representatives assumed that some of their people were going to lose their jobs. They instantly became viciously defensive, advocated venomously on behalf of their membership and threatened a strike if even one person were to lose his job. A terribly acrimonious session ensued as they argued and shouted. Each side became more entrenched in their positions. Relationships rapidly deteriorated and trust vanished. They became highly suspicious of one another and they prepared for battle.

When we perceive our vital interests as being threatened, it is quite normal to vehemently protect them. But in doing so, we become defensive and we induce defensiveness on the other side too. When both sides become defensive, opportunity for productive exchange and dialogue is obstructed, and a mutually satisfying outcome is forfeited. Rather than becoming defensive, it is far more valuable to adopt an attitude of enquiry, a mind-set of learning and an open mind.

DEVELOP A NATURE OF ENQUIRY

In any negotiation, it is best to initially suspend your views, positions and assumptions while making every effort to probe, learn and understand your counterpart's. This will advance productive dialogue dramatically as understanding, respect and trust builds.

To do this however, one needs to develop a nature of enquiry and curiosity. Ask yourself questions like “How can I learn more

about my counterpart's view”, or “What have I learned by listening to her that I was not aware of before?”. Another useful question is “What have I heard so far that would make me rethink my own views or assumptions?”. This approach will not only promote dialogue but also expand the scope of useful and relevant discussion.

When the President of the steel company announced that man-hours per ton will need to be reduced, the union representative, rather than becoming belligerent and defensive, could have enquired as to why the President thought that a reduction of man-hours was necessary. The President might have spoken about the efficiency of competitors' plants, which may have expanded the discussion to other ways of becoming more competitive. One enquiry might have turned the confrontation into dialogue and collaboration.

CREATE AN ATMOSPHERE OF RESPECT

When people feel disrespected, they become reticent, and conversely when they are respected, they are forthcoming and open. To encourage dialogue it is crucial to create an atmosphere of respect. Show your counterpart that you are interested in what he has to say, and that you respect his views even though you may not agree with them. Acknowledge his opinions and find points that you can agree with and validate them. Affording the other side respect is a very cheap concession for you, but with priceless benefits that will facilitate an efficient, amicable and productive outcome.

Becoming skillful and fluent in these three techniques will transform you into a recognized statesman and artful diplomat and will provide you with a competitive edge in the world of business.

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