



# **PARTICIPANT'S HANDBOOK**

**MODULE: COMMUNICATION AND  
CONFLICT RESOLUTION**

**TOPIC 4: NEGOTIATION**

***DURATION OF THE SESSION: 120 MINUTES***

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## I. Theoretical concept

In this module we will talk about a form of **communication** so typical of business as **negotiation**.

Having good **negotiation skills** is really important for any **company**, as these skills are used both **externally** (selling products, getting projects, reaching agreements with competitors...) and **internally** (defining ideas, reaching agreements between colleagues, resolving conflicts...). In all these situations, the presence of **communication is essential**, which is why this module will work on **negotiation**, the **conditions for negotiating**, the **skills** that the person involved must have and some **negotiation techniques**, among other equally important aspects to understand the relevance of negotiation.

First of all, let's define what negotiation is.

**Negotiation** is a two-way process in which two or more parties, with common interests and different objectives, exchange information with the aim of reaching an agreement or compromise between the different positions.

Although this process of information exchange requires in-depth preparation and analysis, which will be worked on throughout the module, the process can be summarised in the following steps:

- Preparation: it is vital to face any negotiation, as this is where you define what you want to achieve and how you are going to achieve it. This section will be explained in depth later on.
- Debate: where the ideas, interests and objectives defended by each of the parties are presented and discussed.
  - Observation: during negotiation, non-verbal communication becomes very important, even more so than verbal communication, as body posture, gestures and tone of voice provide a lot of information that you can use to know your opponent's strategy and get the advantage in the negotiation.
- Proposal: this is where, once all the positions have been presented, the first approach between the various positions is made with the aim of reaching an agreement. This proposal will help you to know if the attitude of the other party is totalitarian, competitive or collaborative.
- Approach: now that a starting point has been proposed, each of the parties will propose new alternatives that are as close as possible to their objectives and interests, giving in and obtaining results until the solution that pleases everyone is reached.
- Conclusion: reaching an agreement by the various parties.

## II. Conditions for negotiation

Negotiation situations are common within work teams and the business context, so you may think that you can negotiate whenever you want and with whomever you want. However, it is not always possible to negotiate, as a series of conditions or characteristics must be met in order to start a negotiation:

- There must be **different parties**, so that there can be a negotiation there must be at least two parties who want to negotiate, because as the popular proverb says: *two do not fight if one does not want*.
- The other party must have something you want and vice versa, that is, **common interests**, because otherwise no negotiation is possible. For example, if you want a boat and you go to a car dealership, you will not be able to do any business, since you have no interest in buying a car.
- There must be **good communication** between both parties, so that the interests of all parties are clear, so as to encourage discussion to reach an agreement.

Establish a **formal agreement** in which both parties commit themselves to comply with what has been agreed.

### a. Basic knowledge for effective negotiation

Unlike the previous conditions and characteristics, which refer to elements outside the negotiator's control, where the negotiator has little or no influence, at this point we will present the knowledge that the negotiator must take care to learn in order to be prepared to negotiate.

Firstly, the person in charge of the negotiation must **know his own business**, in order to clearly define the objectives to be pursued in the negotiation. Therefore, it is important that the person who is going to negotiate has relative information:

- On the reason and objective of the negotiation
- What is the situation of your business in the market or in the world of work.
- The characteristics of the competition.
- The legal framework in which the negotiation takes place and the possible results of the negotiation.

On the other hand, the person in charge of the negotiation has to **know himself and his opponent**, so that he can show his strengths while hiding his weaknesses, know the opponent's

needs and use them to his advantage, maintain a trusting behaviour, as well as have the capacity to change his point of view, and know how to listen and communicate clearly, which will favour a climate of cooperation between the negotiators.

Finally, the negotiator **must know and master negotiation techniques and strategies**, as well as the process and pace of the negotiation itself, so that he can plan and control the negotiation, use those ideas that best suit his arguments and the negotiation, and know when to give in in order to achieve better results.

### **b. Attitude of the person towards negotiation**

Previously, the importance of the person in charge of the negotiation knowing himself has been mentioned, however, this self-knowledge is not enough, but the person also has to develop and work on various **attitudes and skills**, in a way that reinforces their weak points and improve their strengths, so that you can carry out the negotiation with the maximum possibilities.

These attitudes and skills are:

- **Communicator:** the ability to express oneself clearly and coherently is essential to any negotiation, so the person in charge of the negotiation has to learn to express him correctly both verbally and non-verbally.
- **Attention:** it is as important what you say as listening to what the other person says, since the person in charge of the negotiation would not be able to keep up with the pace of the negotiation.
- **Commitment:** the person in charge of the negotiation must make the maximum effort in the negotiation, not because they have been ordered to do so, but because they really want to do business.
- **Confidence:** victory begins with oneself. If you go into a negotiation thinking you are going to lose, you have already lost. Always go into negotiations thinking you will get what you want, with a smile and trust in your abilities.
- **Constancy:** you don't always win, that's a fact, so no matter how many times you lose, you have to face every negotiation as if you really won every time. The best teacher is experience.
- **Foresight:** negotiation is a battle, so one cannot rely on improvisation, but must prepare for battle by gathering information, studying the opponent and establishing strategies.
- **Humility:** you can't know everything, so you can't prepare for all the opponent's strategies and arguments. You must accept your limits.

- **Rational:** don't get carried away by your emotions or your opponent's provocations, as emotions make you irrational, you make worse decisions and you lose your possible advantage over your opponent.

### III. Phase of a negotiation

At the beginning of the module the different phases of normal negotiation were shown in summary form, so at this point we will try to go deeper into these phases.

Firstly, the different phases of a negotiation can be grouped into three stages:

- **Preparation:** this is the first stage of a negotiation, which has become increasingly important over the years.
- **Face-to-face confrontation:** this is the crucial moment of the negotiation, where all the preparation is put to the test and where results are achieved.
- **Analysis:** it is the last stage of the negotiation, where we reflect on the process and our performance in the negotiation.

Each of these stages will be discussed in more detail below.

#### a. Preparing the negotiation

As mentioned throughout the module, the **preparation** stage plays a key role in the development of a **successful negotiation**.

However, preparing for a negotiation is a tedious task, so many managers prefer to go straight into action and not prepare properly, relying too much on their experience, which is the first step to a possible humiliating defeat.

Good preparation before the negotiation offers great **advantages** when it comes to negotiating, since it favours the organisation and clarity of your arguments, clearly defines the objective to be achieved, allows you to create defences against possible attacks from the opponent and helps you to position yourself as the one leading the negotiation. In short, by way of analogy, a person who is not prepared for negotiation is like a medieval army that goes to battle composed only of peasants armed with kitchen knives, while a prepared person goes to battle with an army composed of infantry, cavalry, archers and catapults, all armed with swords and dressed in chain mail.

Therefore, in order to prepare properly it is necessary, apart from what is mentioned in the previous points, to follow the following steps: **diagnosis**, **strategy** and **tactics**.

#### i. The diagnosis

This is the first and most important step in the preparation, since the conclusions of this step are the basis for the next steps and the negotiation process itself.

It is in this step that information is collected, ideas are organised, personal strengths are measured and the basis for the selection of strategy and tactics is laid. Specifically, this diagnosis focuses on the analysis of three key points: the **type of negotiation**, the **negotiating power**, and the **strengths and weaknesses**.

As for the **type of negotiation**, the analysis seeks to determine which type of negotiation will be used by the opponent, in order to determine whether the opponent prefers a collaborative or competitive negotiation, and based on this analysis, select the type of negotiation that best suits the situation.

**Negotiating power** consists of assessing and analysing the strengths of the different participants in the negotiation, that is, discovering what their tools of negotiating power are, such as money, law or precedent cases.

To realize this bargaining power, both yours and your opponent's, a number of determining factors must be analyzed:

- The information collected.
- The strength and veracity of the arguments.
- Loyalty to your organization.
- The strength of your values and what you do.
- The ability to remain calm.
- How he communicates and expresses himself.
- The courage to take risks.
- Leads the pace of negotiation.
- He has negotiation skills.
- The effort made.

Finally, and in line with the analysis of bargaining power, an analysis of your **strengths and weaknesses** must be carried out. This is done through a **SWOT analysis** (Strengths, Weaknesses, Opportunities and Threats) of the negotiation, so that you can gather information on the internal and external factors that influence the negotiation, as well as know the possibilities of reaching agreements.

## ii.The strategy

The choice of strategy is the most sensitive part of the preparation of the negotiation, as the strategy you choose **will determine the course of the negotiation**, as well as increase or decrease your chances of reaching a satisfactory agreement. Therefore, the strategy you choose should allow you to anticipate your opponent's proposals and arguments, while at the same time leading you towards the achievement of your objectives.

In order to choose the most appropriate strategy, the first thing to do is to know the situation in which the negotiation takes place. You will already have this information if you have previously made the diagnosis, since you will know the other party, what their strengths and their negotiation skills are, as well as intuiting the possible strategy of the opponent.

Once you are clear about the negotiation situation, you have to assess a series of basic aspects in order to develop and adapt your strategy:

- **Needs:** these are the shortcomings or inadequacies that have motivated the negotiation, as these shortcomings need to be addressed, and therefore determine all the factors that influence the negotiation process.

Needs can be of a very diverse nature, both on a material and spiritual level, since the individual's personal values, context and environment are involved.

Therefore, to increase the chances of successful negotiation, it is vital to identify your needs and those of your opponent. The latter can be complicated, as needs are never explicitly mentioned, but are seen through the objects and objectives of the negotiation.

- **Objects:** these are the concreteness of needs, that is, the ways in which negotiators meet their needs. Because a need can be met by different objects, these objects can change throughout the negotiation.
- **Objectives:** they refer to what you really want to achieve, the final purpose of the objects, the real reason for the negotiation.

## iii.The tactics

If strategy is understood as the overall planning of the negotiation, **tactics** are the **actions** taken to reach a satisfactory agreement, that is, tactics are the concretion of the strategy. Working on and preparing tactics helps to identify obstacles that would not be predictable from the level of the strategy.

So, if tactics are the actions taken during the negotiation process itself, it is essential to know where you want the negotiation to go, which is what you want to achieve, which is why there

can be no tactics without strategy. In addition, determining tactics serves as an **assessment for strategy**. For the wrong strategy, there are no right tactics, so if planning your tactics does not help you reach your goals, your strategy may be flawed.

In short, as tactics are the immediate actions to achieve long-term objectives, you must be taken into account:

- How the negotiation process will be initiated.
- How the negotiation is to be completed.
- What the first proposal will be.
- What points are going to be ceded.
- If there is a negotiating team, how it will be organised.

Tactics are usually classified as follows:

On the one hand, there are **development tactics**, which help you choose which strategy you will use, as well as whether the strategy will be collaborative (where both parties win) or competitive (one wins and the other loses).

On the other hand, there are **pressure tactics**, which are used to defend your position while weakening your opponent. The most common are:

- **Offensive:** consists of being aggressive and seeking to intimidate the opponent, rejecting his proposals and generating an atmosphere that is uncomfortable for the opponent.
- **Erosion:** do not give in or make concessions, you must remain firm in your position until the opponent surrenders.
- **Deceive:** this tactic is based on providing false information to the opponent, either through false data, different moods, incorrect body language or invented opinions, so that the opponent is confused and you get what you want. This tactic is not recommended in the long term, as it is unethical and generates distrust towards you.
- **Ultimatum:** it consists of making a proposal to the opponent with a short response time, so that the opponent cannot reflect and evaluate the proposal before it disappears.
- **Demand more:** the moment the opponent starts to give in, continue to make more demands, so that the opponent is forced to reach an agreement soon.

#### **b. Face-to-face confrontation**

The **face-to-face confrontation** is the second major stage within the negotiation process and is the **crucial moment** of the negotiation, as it is where your previous preparation and your negotiation skills to achieve your goals are put to the test, as well as your skills to express yourself clearly, your mastery of non-verbal communication and your ability to stay calm and prioritise reason over emotion.

It is within this stage that most of the negotiation phases seen at the beginning of this module take place:

- Debate: where the ideas, interests and objectives defended by each of the parties are presented and discussed.
  - Observation: study of the arguments and non-verbal communication of the opponent.
- Proposal: first approach between the different positions with the aim of reaching an agreement.
- Approach: each of the parties will propose new alternatives that adapt as much as possible to their objectives and interests, giving in and obtaining results until the solution that pleases everyone is reached.
- Conclusion: reach an agreement by the various parties.

### c) Analysis

This stage does not influence the outcome of the negotiation, but will influence **future negotiations**, as this stage consists of self-assessment of your negotiation performance, both for preparation and face-to-face confrontation.

At this stage you should **reflect** on your performance throughout the negotiation process, from how you prepared for it, how you organised yourself, how you gathered information, how you designed your strategy and what tactics you used, to how you handled yourself during the confrontation, how you argued, your control over your body language, how you defended yourself from the opponent's attacks and whether you maintained confidence throughout the confrontation.

Thanks to this reflection, you will be able to **evaluate** if you have obtained the results you wanted, if the strategy was the right one, where the strategy failed, what you can improve and what you are going to do to improve.

#### IV. Types of negotiation

As has been seen throughout this issue, negotiation is not a simple process, but requires good **personal preparation** and good **planning of the negotiation**.

In this sense, it is advisable to know the different types of negotiation that exist, not only to be able to identify with one or discover new forms of negotiation, but also to discover your opponent's type of negotiation and adapt your strategy to his way of negotiating, so that you get an advantage over your opponent.

There are many **types of bargaining**, so for this module they have been classified into two groups:

- Types of negotiation depending on relationship time.
- Types of negotiation depending on the attitude of the negotiator.

##### a. Types of negotiation depending on relationship time

This type of negotiation is characterised by the **duration** of the negotiation, that is, whether the negotiation is immediate and punctual or will be extended in time. In this sense, they can be distinguished:

- **Immediate negotiation:** in this type of negotiation, personal relationships do not come into play, as the aim is to negotiate as quickly as possible and to focus on objective data, such as the price of a product, its guarantee or its functionality. This type of negotiation is very common in the processes of buying and selling.
- **Progressive negotiation:** here personal relationships begin to come into play, since the aim is firstly to establish a personal approach between both parties, in order to create a climate of trust and honesty before entering the negotiation process itself.
- **Situational negotiation:** this is the most effective type of negotiation, as this type of negotiation consists of adapting to the circumstances of the negotiation, i.e. knowing the details of the negotiation, the strengths and weaknesses, and adapting the strategy to this situation. To this end, this type of negotiation changes between the two previous types (immediate and progressive) depending on the need of the situation.

##### b. Types of negotiation depending on the attitude of the negotiator

The types of negotiation can also be grouped according to a **person's attitude** to bargaining.

This classification is strongly influenced by the **negotiator's personality** and values, as these personal characteristics will lead the negotiator to one or the other type of negotiation. This

does not prevent the negotiator from using a type of negotiation that is totally contrary to his personality, but to do so will require a great effort on the part of the negotiator.

Within this classification, the main types of trading are:

- **Accommodative negotiation:** this type of negotiation is characterised by patience. With this type of negotiation, a long-term relationship based on trust and respect is sought rather than quick profits. Therefore, the negotiator adopts a calm and submissive attitude towards the opponent, in order to lay the foundations for a lasting, respectful and collaborative relationship between the two parties.
- **Collaborative negotiation:** this is the idyllic type of negotiation, where both negotiators show an assertive attitude, with the final objective of reaching the best agreement for both parties, for which a personal relationship of trust and respect is established. This type of negotiation is the most commonly used internally in companies, where the objectives are common, since here the aim is to satisfy everyone and avoid conflicts.
- **Negotiation by compromise:** in this type of negotiation an assertive attitude still prevails on both sides, because time also plays an important role. This negotiation consists of reaching an agreement where not all the objectives are achieved, as the negotiation cannot be extended in time, because if the negotiation is extended, both parties lose everything, so they prefer to obtain certain results and lose others rather than lose them all. It is important to emphasize that for this type of negotiation it is important to have a relationship of trust with the other party.
- **Competitive negotiation:** this is the type of negotiation opposite to accommodative negotiation, since here the aim is to obtain the best possible result. Here the negotiator adopts an aggressive attitude against the opponent, since he does not care about the long-term relationship but about obtaining immediate benefits as quickly as possible. This type of negotiation is recommended when you are only going to negotiate once with that person, when the negotiation is for profit sharing and when the negotiation is for the process of buying and selling.
- **Distributive negotiation:** in this type of bargaining you already know who is going to win and who is going to lose, so the bargaining is about getting the highest possible profit. Here, what one wins is lost by the other, so the strategy and tactics used are of great importance in the final result. This is the traditional type of negotiation.
- **Avoidance negotiation:** In this type of negotiation, one or both parties find it counterproductive because they feel that they have more to lose than to win in the negotiation, that they will not get any benefits or that the benefits do not outweigh the problems of a negotiation. For these reasons, one party refuses to negotiate, so both parties lose, and proposes to negotiate at another time.