

Chapter 1—Defining Negotiation and Its Components

Chapter Overview

The primary purpose of this chapter is to introduce the students to the magnitude of the field of negotiation and build their appreciation for the building blocks that will be part of their course of study. The chapter begins by defining negotiation and then proceeds to identify the components and emphasize the personal nature of negotiation. The chapter serves as a foundation for the text. The chapter ends with a focus on beginning a learning plan.

Learning Objectives for This Chapter

- ❖ To understand the definition and magnitude of negotiation.
- ❖ To understand that there are limits to what is negotiable.
- ❖ To identify the components of negotiation performance.
- ❖ To identify the steps necessary to develop your effective personal negotiating power.

“All the world’s a stage.”

—William Shakespeare

Classroom Activities

Activity One

Ask each student to rate themselves as a negotiator. Ask them where they place themselves on a continuum of experience—ranging from little to much. Ask them to place themselves on a continuum of expertise or effectiveness—novice, very ineffective, moderately effective, very effective, and excellent.

Discuss why they ranked themselves as they did. Is the ranking based on results? Ask them to relate a recent negotiation and results obtained.

Ask students to record their personal assessment. You may want to revisit the matter from time to time during the course and discuss variations.

Activity Two

Interactive lecture on the chapter material.

Activity Three

If learning journals are used in the course, ask students to record in their journals what they know and how they know.

Activity Four

Review competency checklist, review questions, and end-of-chapter case material.

Activity Five

After completing all of the foregoing, it is often instructive to ask students to try to identify situations that should not be negotiated.

Lecture Outline

- I. All Human Interaction Is Negotiation.
 - A. Human interaction is essentially a negotiating arena. Negotiation is the process of influencing others in order to get what we want. What we want may be tangible or intangible.
 - B. Negotiation should not be considered intimidation, nor should it be chiseling or trickery.
 - C. Negotiation is using knowledge of self and others to affect behavior. Negotiation is the process of interacting with the goal of obtaining agreement or the result you desire.
- II. The Personal Nature of Negotiation.
 - A. Our emotions, temperament, disposition, and other aspects of our personalities give each of us unique needs, interests, goals, and perspectives.
 - B. Our needs and desires invoke our ego and our self-concept as well as our fears.
 - C. The reason that many believe they negotiate better on behalf of others than for themselves is that the heart is more involved when they negotiate for themselves.
- III. Not Everything Is Negotiable.

- A. Everyone has limits regarding what they will give or take.
 - B. Where there is no potential for mutual benefit, the matter *should* not be negotiated!
- IV. Conscious and Unconscious Determinants of Your Negotiation Performance.
 - A. We are often not aware of what drives our attitudes and behavior. What we don't know may hurt us in negotiation.
 - B. Self-knowledge is the key to tapping our unique personal power in negotiation. Self-knowledge is the first task to be tackled in the chapters that follow.
- V. Components of Negotiation Performance include personality, approach, style, temperament, perceptions, interests, goals, needs, values, and powers, of all parties involved as well as the substantive issues, the nature of the conflict, the effects of the conflict, and the alternatives for all parties involved. Each of those components will be addressed in the chapters that follow.
- VI. How to Develop Your Effective Personal Negotiating Power.
 - A. In this section it should be helpful to obtain student reaction to the 15-step general plan presented in the chapter. I ask students how much they think they know about the subjects included in the list.
 - B. It is often useful to include an in-depth discussion of the meaning of critical thinking and empathy. Many confuse empathy with sympathy.
 - C. A discussion of "What do you know and how do you know it?" should stimulate interest in the psychological theories addressed in the very next chapter.
 - D. After discussing the list, students should appreciate the task ahead of them and, hopefully, be eager to learn more!

Performance Competency Checklist

After studying the chapter, students should be able to evince the following knowledge:

- ✓ All human interaction is negotiation. Negotiation is the process of interacting with a goal and encompasses conflict management and resolution.

- ✓ Not everything is negotiable. Not everything should be negotiated.
- ✓ The components of negotiation include the individual personalities involved, interests, goals, needs, values, perceptions, power, substantive issues, alternatives, context, communication, and persuasion. What we do not know about ourselves and our habits may lessen our effectiveness and inhibit our development.
- ✓ Critical steps in becoming more effective in negotiation are to know yourself, understand the process of conflict and negotiation, control yourself, and do what feels natural for you. Developing personalized negotiation strategies requires critical thinking and creativity, self-assessment, study, application of knowledge, and practice.

Key Terms, Phrases, and Concepts

Negotiation

Mutual Beneficial Exchange

Unconscious Determinants of Negotiation Performance

Review Questions and Answers

- T F 1. All human interaction may be considered negotiation. (Answer: True.)
- T F 2. Negotiation is an effort to influence. (Answer: True.)
- T F 3. Negotiation is an art and a science. (Answer: True.)
- T F 4. Everything is negotiable. (Answer: False.)
- T F 5. Everything should be negotiated. (Answer: False.)
6. Explain how and why negotiation is not subject to fixed rules or methods.
(Answer: Negotiation is both an art and a science. Negotiation is also necessarily affected by the human beings involved, including all of their complexities and differences. Furthermore, no two negotiations are alike—the substantive matters affect the process.)
7. Why is your personal life a good place to practice building your negotiation skills?

- (Answer: My personal life is where my ego, fears,—and my heart—are maximally involved.)
8. How can your ego interfere with your negotiation performance?
(Answer: I may have fears that include the fear of appearing stupid or incompetent. I may have a fear of losing.)
9. What kinds of things or factors of which you may not currently be aware may affect your negotiation performance? Why?
(Answer: Personality attributes: temperament, values, attitudes, beliefs, learning style, way of thinking [how one knows], perceptions, style of communication, approach to conflict, past experiences.) (Much of our behavior as well as our beliefs and attitudes are automatic, or unconscious. Unless and until we think about these things, we are typically unaware of their effects.)
10. List 10 components of negotiation performance.
(Answer: Personality, approach, style, temperament, perceptions, interests, goals, needs, values, powers, substantive issues, the nature and effects of the conflict, alternatives, individual abilities.)

Case 1.1

Assume that you own and operate a business. Your production this year was based on prior years' experience. You have been left, however, with 100,000 unsold units on hand. You have been selling your product at \$5 each and expected the same price for these 100,000 units. You have exhausted all avenues you can think of for disposing of your excess product. You do not have the storage capacity for keeping these units in inventory while you continue production. This morning a giant retail organization contacted you urgently seeking the type of product you produce to fill deficits in their supply. They offer to pay you \$3 per unit.

Case Discussion Questions and Possible Responses:

1. How would you assess whether or not you should negotiate? Identify the factors you would consider and the overall rule you would apply.

(Teaching Notes and Possible Responses: Students should assess whether or not they should negotiate by first assessing whether there is potential for benefit. This case should be a reminder of the principle, or overall rule, that not everything should be negotiated. Interests, goals, needs, and options to negotiation should be identified and assessed.)

2. What factors can you readily identify that will affect your negotiation options and outcomes?

(Possible Responses: Factors to consider may include other sale options, if any; availability and cost of contracting for off-site storage; impact on current operations. For example, what is the cost of buying storage capacity compared to accepting a price lower than desired?)

3. What unconscious factors might also affect your negotiation performance?

(Possible Responses: Anger, fear, perception of the giant retailer, past experience.)

Closing Thought to Share

“People seldom improve when they have no other model but themselves to copy after.”

—Goldsmith