

## Negotiations

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*“Let us never negotiate out of fear. But, let us never fear to negotiate.”*

- John F. Kennedy

35<sup>th</sup> President of the United States

Virtually every problem-solving and decision-making process involves resolving disputes among subordinates, working through issues involving the chain of command, or simply attempting to complete the mission while working with counterparts who you have no direct authority over. Early in your career, you were learning how to be a follower and had to learn how to lead yourself. You are now in a position that requires you to not only lead yourself, but others as well and as such, it is vital that you learn how to negotiate with them and sometimes, on their behalf. As we discuss negotiation, understand that this topic covers information that can be used in the office, working with other organizations, or in large multi-party negotiations that require weeks of planning and multiple days if not months to execute.

Understandably, there are situations in the military that require immediate decisions and there is no time for lengthy negotiations, but considering the rarity of those situations this skill set can prove invaluable. This reading provides information to help you be more successful in any negotiation. You will examine the effective use of the TIPO Model and the five essential negotiating strategies. Each strategy has its own strengths and weaknesses. Therefore, with an understanding of these five strategies (and effective communication skills), you'll be better prepared to evaluate any given situation and correctly select and apply the most appropriate strategy.

### **KEY TERMS**

Dr. Stef Eisen, in his *Practical Guide to Negotiating in the Military*, defines negotiation as:

“A communication process between two or more parties. This process may range from an open and cordial discussion with a free exchange of information as parties cooperatively seek to satisfy common interests to something closed and adversarial, where information is hoarded as parties fight to satisfy only their own positions.”

For our purposes we will define *negotiation* as:

A **process** involving two or more people/groups where:

1. the parties have a degree of difference in positions, interests, goals, values or beliefs
2. the parties strive to reach agreement on issues or course of action

Before you enter into the negotiating process, you must first be familiar with a few terms.

**Opposite:** The person or group with whom you are engaged in negotiations. Sometimes called the negotiation partner, the opposite typically recognizes that you need to solve a problem or reach an agreement.

**Position:** A position is what *you* want. To be a viable position, it should meet some standard of reason and be accepted as reasonable by the opposite. If not, negotiations may stall or be broken off.

**Interest:** An interest is the underlying reason behind your position. Why you want what you want. To help determine interests, investigate your position through a series of critical thinking (CT), questions such as “who, what, when, where,” and especially “why” questions.

There are three basic types of interests; procedural, psychological and substantive. Procedural interests are those concerning *how* a process is conducted. Negotiators with procedural interests are highly concerned with how the outcome is determined.

The second type of interest is psychological (sometimes called relationship interests). It concerns how people feel, are perceived and how they relate with others.

Finally, substantive interests; having to do with things, prices, salaries, etc. This is the bulk of most negotiations; however, negotiators should always work to understand the interests and then work at developing solutions that address the type of interest.

Most people tend to negotiate from a positional basis. Your goal is to understand your own interests, while working to understand your opposite’s interests as well. You and your opposite are probably negotiating from a positional basis if no one has started to ask the “why” behind each position.

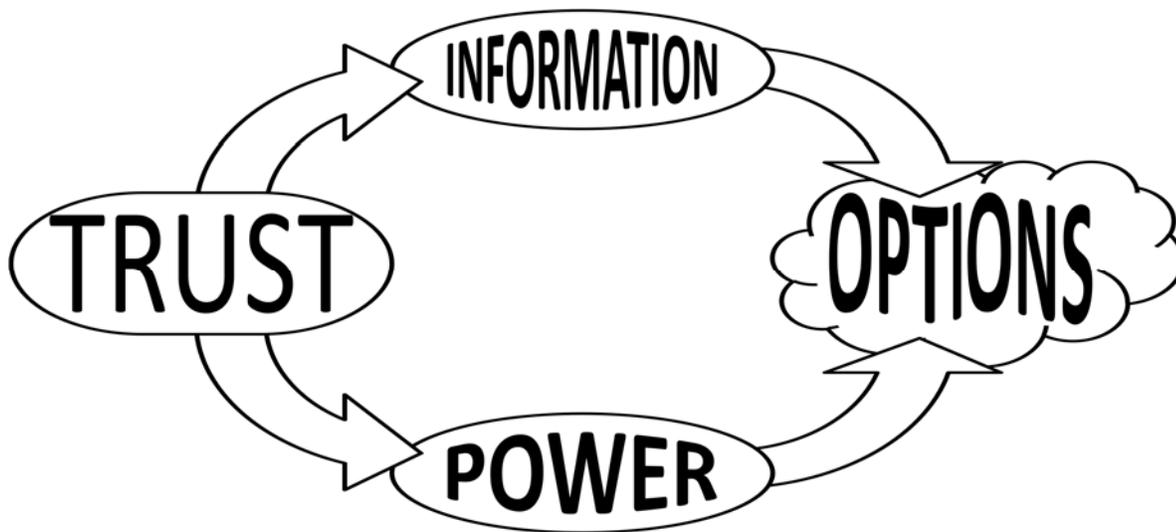
**Aspiration point:** The best each party hopes to get out of a negotiated agreement.

**Reservation point:** Your ‘bottom line’ in negotiation. The reservation point is the least favorable option or offer either side might accept.

**Best Alternative To a Negotiated Agreement (BATNA):** This is an option if negotiations fail. A BATNA is only useful if it can be executed without the other party’s participation and / or permission. Understanding your BATNA and the opposite’s BATNA will help you determine when or if you should walk away from the negotiation table. To have a strong BATNA, you must have both the capability and the will to execute this alternative, on your own, without any assistance from your opposite.

## **TIPO MODEL**

TIPO (pronounced “typo”) framework models how trust influences your use of information and power, and how information and power influence the way you develop options to solve a problem. This model helps one assess a situation before deliberately selecting a negotiation strategy. By assessing the situation carefully, you will not only evaluate your own understanding of trust, information, power, and options, you will also do your best to evaluate how your opposite would assess you. This may give you a good idea why your opposite might use a particular strategy.



**Figure 1. The TIPO Model**

### ***Trust***

Trust, as it pertains to TIPO, is defined as *your belief and/or evidence that the opposite's interactions with you are or will be genuine, sincere, and honest*. The more you trust the opposite's actions and interactions, the more trusting you are to share and be open about your actions and intentions. There are two major categories of trust - trust in a process or trust in a person.

#### ***Personal Trust***

Personal trust stands alone. It is not reliant on any institution or third party. At the most basic level, personal trust is established between two people. In a negotiation, personal trust helps improve options and ultimately the negotiation outcome.

#### ***Process Trust***

Process trust exists when both parties have faith in the rule of law, governing institutions, and/or simply the procedural methods that supports a reasonable negotiation process. You trust that these processes promote outcomes that are justified (fair and impartial), legal, and ethically acceptable for both parties.

Trust-building takes time. However, once established, trust helps facilitate more effective communication and potentially more efficient negotiations.

### ***Information***

The level of trust directly influences the *amount of information that shared between opposites*. If you trust the opposite, you believe the information they present is truthful and accurate and you should feel more comfortable sharing information with them. This results in better discussions, brainstorming, and shared selection of options. However, if you feel the opposite is withholding or offering false information, you may either have to use a third party source to validate the information, confront the opposite with your concerns regarding the information, dismiss the information altogether, or continue to negotiate based only on the information you

provide.

Bottom line, trust and information will influence the negotiating strategy you pursue, and will impact the amount of power you need to execute an option.

### ***Power***

We possess an assortment of leadership power that enable us to accomplish various actions. From coercive to referent power, the type of power one should use is determined by the assessment of trust and information. If there is a high level of trust, or a desire to build it, one might choose to use “power with.” On the other hand, if trust is low and you have the ability, one might choose to use “power over” to enforce their will or option outcome. This assessment ties directly to a negotiation strategy that will best achieve your objectives. It is critical to determine whether you can or should use “**power over**” or “**power with.**”

As the TIPO Model depicts (Figure 1), trust impacts the amount and reliability of the information you acquire and the power you need to or should use during a negotiation. With high levels of trust, information and power may be actively shared between you and the opposite.

### ***Options***

The final part of the TIPO model uses the foundation of trust, the type and amount of information, and power to develop options. Options are just different ways to potentially solve a problem or come to a mutual agreement and are often referred to as solutions, choices, and/or alternatives. For example, if trust exists between the parties, information will most likely be more open and available, which often leads to power being shared, regardless of who actually has more power. This can be critical to developing options more “operationally sustainable.” Trustworthy opposites can offer ideas and perspectives that you may never have considered.

Conversely, low trust between parties negatively impacts information and may result in the need to use more “power over” instead of “power with.” Although sometimes a necessity, this undermines option development. At its very worst, options become so few that you are forced to use all the power you have to “operationalize” one solution while overriding the opposite’s objections. Competing or forcing options or insisting on one solution may lead to less-than-satisfactory results.

## **NEGOTIATION PREFERENCES AND STYLES CHART (NPSC)**

The five strategies for the *Negotiation Preferences and Styles Chart (NPSC)* were developed by the USAF Negotiation Center. It is important to note, all five strategies have value and serve a purpose. Because negotiations occur in such a wide range of circumstances, no single strategy will cover all the variables. Just as in golf, picking the right club for the shot tends to improve your score. The same holds for negotiating, selecting the most appropriate strategy for the situation should improve your chances for success. When the situation changes, a change in strategy may also be prudent. Picking up on variances in TIPO helps guide the selection and execution of a particular strategy. Additionally, since trust, information, power, and options can and frequently do change during a negotiation, awareness and critical evaluation of these changes can guide your shift in strategies.

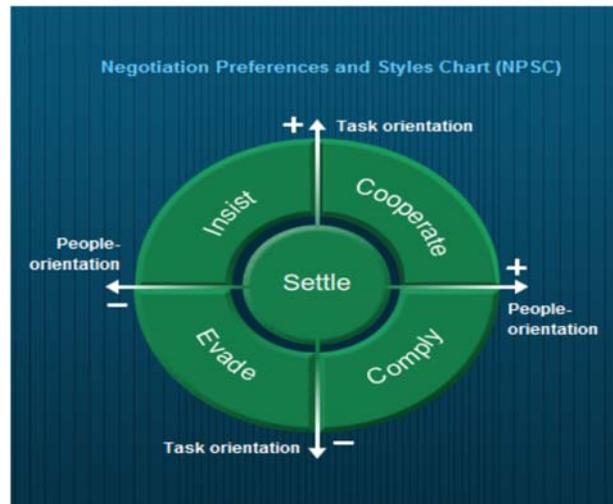


Figure 3, Negotiation Preferences and Styles Chart (NPSC)

### A. Task and People Orientation

Every negotiation involves some sort of *task* and the interaction of two or more *people* or groups. These two variables form the “framework” used to visualize and understand the differences between the five negotiation strategies. Once you decide what is more important (task, people, or both), you can then select the negotiation style that is most appropriate for the situation.

#### *People Orientation*

The first variable, people orientation, is a relationship that exists between you and the opposite. In some situations, these relationships are more important to develop and maintain than the task at hand. Focus on the relationship is not necessarily about developing a friendship with the opposite, but more about developing trust. It’s important that you understand the importance of the relationship and the second and third order of effects of improving or harming that relationship.

#### *Task Orientation*

The second variable is task orientation. In the NPSC, task orientation refers to the importance of resolving the problem. In the military context, it is getting the mission done. A high task orientation means that you are very motivated to complete the task, or resolve the problem. Conversely, a negative or low task orientation means that the task may not be all that important, or you do not wish to resolve the situation at this time. It could be that you are satisfied with the current situation or status quo. Perhaps you do not agree with any of the possible solutions, or it could be that you may not understand the problem and need more time to gather data. It is vital that you consider the connection between the task and relationship or (people orientation.)

## **B. Negotiation Strategies**

### ➤ **Evade** (“Not now, can you come back later?”)

- The Evade strategy is a passive, unassertive strategy where you do not have any motivation to improve your situation or the opposites. When might you choose to evade or kick the can down the road? Evade works if the issue at hand is totally unimportant to you, if you have higher priorities, or you lack the energy to tackle the problem. Often the status quo is actually preferred to any envisioned solution. Also, you may use the Evade strategy if you are faced with an opposite who has power over you, but you need to stall the process to gain more information about the issue. The Evade strategy may be a good strategy, especially if you can change the conditions down the road that would allow for the development of better options. If the task or relationship is important, you most likely will not use or stay in this strategy for too long.

### ➤ **Comply** (“Yes, absolutely, let’s do it your way!”)

The Comply strategy tends to delegate the responsibility to the other person or party. The opposite solves the problem their way, using only their information. This strategy can also be used even when you have power over the opposite. For example, when *preserving the relationship between you and the other party* is critical, you may comply even at the expense of the task.

Under the Comply strategy, options are lop-sided in favor of the opposite. This does not always mean a bad outcome for you. If one of your interests is to build rapport and improve negotiations later on, then the comply strategy may help.

### ➤ **Insist** (“Take it or Leave it”)

The Insist strategy is useful when you believe that obtaining your objective is paramount, regardless of the cost to the opposite’s interests or the relationship. Usually, the party with the greater amount of power is the victor. When appropriately applied, this is a very useful (task oriented) negotiation strategy, but it is also one of the more misused strategies and the impact on the relationship must be considered!

Option development under the Insist strategy is one-sided. The party who has the power to exercise a solution simply uses that power to complete the task.

### ➤ **Settle** (“Let’s just split the difference”)

The Settle strategy may be an option when you seek resolution to a situation, but see little chance for you to really get it “your way” (e.g. the Insist Strategy) or you don’t want to “give in” (e.g. the Comply Strategy) to the opposite. By using the Settle strategy, you may satisfy both sides by simply splitting the difference. Each party “gets something,” but usually not what you really need or what fully satisfies you. You acknowledge that you may not meet all your interests as you must consider some of your opposites. Settling usually results in a quick negotiation (Settle is an efficient process), but rarely an optimal outcome (or the most effective process).

➤ **Cooperate** (“Let’s work together and come up with an even better idea”)

The Cooperative Negotiation Strategy (CNS) depends on each party’s desire to achieve both a mutually satisfactory outcome (task orientation) while simultaneously managing the relationship (people orientation). For this to occur, trust must exist (or be cultivated) between the parties, they must be willing to share information and decision-making power, and suspend judgment on possible solutions.

CNS is particularly effective in diverse situations, especially in the military environment. Agreements in the military must be reached with people and groups that we have no control over, but often bring a wealth of information and ideas. To move beyond the obstacles and barriers that potentially hinder us from reaching an agreement, the CNS focuses on the basic and perhaps common interests that drive each party’s position. These interests are not always evident and may take time to uncover, but lead to common ground, generating options valued by both parties, and possibly a solution even better than what one could have created on their own.

Because there is an exchange of information, there is also an exchange of ideas, often resulting in multiple ways to solve the problem. CNS works best when parties develop multiple options and then explore which of the proposed options, either in their original or modified form, might best solve the problem.

**Key CNS Features:**

- 1. CNS Changes Negotiation from a Contest of Wills to a Search for Solutions:** By focusing on the underlying interests, CNS gets you to treat disputes and issues as problems to be mutually solved rather than a contest of wills and personalities.
- 2. CNS not only Focuses on the Problem but Actively Manages the Relationship:** You do not have to like your opposite, but you need to respect them, and they need to respect you. Respect helps develop trust, which helps improve communication channels so that information about interests may be shared and used to develop optimal solutions.
- 3. CNS Focuses on Understanding the Underlying Interests:** CNS recognizes that parties’ underlying interests are often at the heart of the dispute. It recognizes that it is more important the parties know WHY they want something (the interests) rather than focusing on just WHAT they want (the position).
- 4. CNS Recognizes that Information Sharing and Critical Thinking Are at the Heart of Problem solving:** CNS rests on a skill set that includes open communications, active listening, and critical thinking. These skills are needed for parties to understand perceptions of events, priorities, concerns, fears, and any other piece of information that helps in the search for viable solutions.

**Cooperative Negotiation Strategy (CNS) example:**

In a deployed situation, a coalition leader was negotiating with a local vender for water deliveries. The local was trustworthy, had a strong reputation, but the negotiations stalled. The vendor continued to tell the story about his family in the nearby village and how they could not get the annual crops to storage because their small truck had been damaged beyond repair. (He claimed coalition action damaged the truck). The vendor’s **position**, like the coalition leader, was closing a deal on the water deliveries. The vendor’s top **interest** was

providing for his family. The coalition leader's **interest** was getting the water delivered at the lowest cost possible. By using critical thinking questions and active listening skills, the coalition leader negotiated with the vendor and discovered, for a few extra liters of diesel fuel, he could allow the vendor to use the empty space on the coalition trucks to deliver his crops. In exchange, the vendor sold the water at a discounted rate. It was a win-win. Had the coalition leader stuck to his "position" (focusing only on the water delivery), and used the Insist strategy, a solution might have been out of reach.

## **SUMMARY:**

To begin, we looked at some key terms and defined negotiation as a process involving two or more people/groups where the parties have a degree of difference in positions, interests, goals, values or beliefs and strive to reach agreement. Next, we looked at the TIPO model and how trust influences your use of information and power, and how information and power influence the way you develop options to solve a problem.

In addition to the TIPO model we covered the Negotiation Preferences and Styles Chart (NPSC). We explained two important variables of the NPSC, (task and people or relationship orientation). We examined the five essential negotiating strategies (Evade, Comply, Insist, Settle, and Cooperate) discussing how each strategy has its own strengths and weaknesses. We also mentioned the strengths of the Cooperative Negotiation Strategy (CNS) and how this strategy is dependent upon each party's desire to achieve both a mutually satisfactory outcome (task orientation) while simultaneously managing the relationship (people orientation). When combined, the TIPO model and the NPSC provide a guide to improve military negotiations.

**FINAL NOTE:** The Air Force Negotiations Center at Air University, Maxwell AFB hosts a web site that has a numerous helpful tools for almost any negotiation. There is also a section for quick tips if your time to prepare is short.

<http://www.au.af.mil/au/culture/NCE/>

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