



Negotiation Concepts Manual



Acknowledgement: This manual is heavily influenced by the works of Dr. Stefan Eisen, especially the Practical Guide to Negotiating in the Military 2nd and 3rd editions.

The Air Force Negotiation Center (AFNC) develops and delivers individualized training and education to Total Force Airmen, Department of Defense, and other Federal Agencies to foster negotiation skills. AFNC also collaborates with SAF/GCR to encourage, develop, and implement initiatives, activities, and training related to promoting the use of negotiation and dispute resolution throughout the Air Force. For more information on the AFNC, please visit our website at <https://www.airuniversity.af.edu/AFNC/>.

Table of Contents

INTRODUCTION. The Value of Negotiation in the Military Environment	5
1. Military Negotiation Definition, Types of Negotiation, and Terms.....	6
AFNC Definition of a Military Negotiation	6
Types of Negotiation	6
Distributive Negotiation.....	6
Integrative Negotiation.....	6
Terms.....	6
Position.....	6
Interests.....	7
Aspiration Point	7
Reservation Point (or Bottom Line).....	7
Bargaining Range.....	7
Zone of Possible Agreement (ZOPA)	7
The Best Alternative to a Negotiated Agreement (BATNA)	8
Worst Alternative to a Negotiated Agreement (WATNA)	8
2. Military Negotiation Process: Pre-Negotiation Planning and TIPO.....	10
Pre-Negotiation	10
TIPO Model	10
Trust	10
Information.....	11
Power	11
Options	12
3. Problem Solving Approaches.....	13
Task	13
People.....	13
Evade.....	14
Comply.....	15
Insist.....	15
Settle.....	16
4. Cooperative or Interest-Based Negotiation (IBN) ¹	18
Review Positions.....	18
Review Interests.....	18
Procedural	18
Psychological.....	18
Substantive.....	18
5. The Negotiation.....	20
Does it matter who goes first?.....	20
Is the key decision maker at the table (Part of pre-planning as well)	20
Stakeholders and other interested parties.....	20
Communications	20

6. Outcomes/End State 22
 Documenting the Agreement..... 22
 SMART 22
 Stakeholders 22
 What happens if an agreement is not reached? 22
7. Barriers to Effective Problem Solving and Negotiation..... 23
 Emotions 23
 Biases 23
 Perceptions 23
8. Overcoming Barriers 25
 Self-monitoring 25
 Active Listening 25
 The Shift in Approach..... 26
Bibliography 27
Appendix 1 - The Pre-Negotiation Worksheet..... 28
Appendix 2 - TIPO Model (Trust, Information, Power, and Options) 29

INTRODUCTION. The Value of Negotiation in the Military Environment

The military environment can be highly complex; however, our leaders expect us to get the job done. This can be challenging. It requires a balance of working with civilian agencies, other countries, and multiple components of the military — land, sea, air, space, and cyber – while also relying on people, who seem to always be over-tasked to meet the commander’s intent. Luckily, we have a process to coordinate all these different entities. Negotiation is problem-solving. It is also conflict resolution/transformation. Having this skill can improve our chances of getting the mission done, while building trust with our people.

1. Military Negotiation Definition, Types of Negotiation, and Terms

AFNC Definition of a Military Negotiation

A military negotiation is a deliberative process that leverages communication and critical & creative thinking through distributive and integrative means.

Types of Negotiation

Distributive Negotiation

Distributive negotiations are essentially zero-sum gain.¹ Assumes resources are limited. Limitations in people, equipment, supplies, and time are a common occurrence. The task of any distributive negotiation process is to divide up the fixed set of resources. In a distributive negotiation, the objective is to claim a portion of whatever value is on the table. As one gains value, the other party loses value. In distributive negotiations, negotiators usually meet to exchange proposals, offers, and counteroffers. Because resources are seen as fixed and limited, any gains by one side are a loss for the other. Conflict is seen as inevitable, and competition rather than cooperation guides negotiations. Parties often perceive the other side as an obstacle, a barrier to their success. In a competitive situation, where one party is trying to “outgain” the other, information is regarded as a source of power and therefore protected. Because information is seen as a source of negotiating power, deception may occur, so distrust can be a characteristic of this approach. This is one of the most serious drawbacks of distributive negotiation in the military.²

Integrative Negotiation

While still acknowledging that in the end, resources must be distributed (there’s “value claiming” at some point in any negotiation), integrative negotiation does not see resources as necessarily fixed. This means integrative negotiations are not necessarily zero-sum. There’s the possibility for mutually beneficial cooperation between the parties. Negotiators see the other side as potential partners in the problem-solving process. Cooperation between the parties has the potential to “create new value” or new “ideas.” Parties can “brainstorm” to develop mutually beneficial outcomes. In this value-creating process, trust-building measures are actively pursued. Information and power are shared between the parties. The cooperative negotiator is concerned with mutually beneficial outcomes while attempting to satisfy both parties’ most important interests. Military negotiators will not only achieve solutions but protect relationships by using the integrative approach.

One hallmark of integrative negotiations is asking questions of all sides about their interests, concerns, and limitations. The goal is to make fewer statements during the negotiation but ask more questions. Agreements reached by integrative means will typically be more sustainable and will tend to enhance relationships, whereas distributive negotiations tend to degrade relationships.³

Terms

There are several terms associated with negotiations you need to know.

Position

A position is “**what** you want.” However, a position is not always rationally bounded. For instance, getting a new car for free may be a fantastic position, but it’s not rationally bound. To be a viable position, it should meet some standard of reason, and be accepted as reasonable by the opposition.

If not, negotiations may stall or be broken off. When planning a negotiation, it's important to consider your position and the position of the person/people you're negotiating with.⁴

Interests

An interest, on the other hand, is one or more underlying reasons “**why** you want what you want or what you need.” To help determine interests, investigate positions through a series of interrogative questions. Interrogative, or critical thinking (CT) questions are the who, what, when, where, and especially why questions. Answering these questions helps reveal the underlying reasons and rationale for a position. If these questions cannot be rationally answered, then a position may be clouding the underlying interests.⁵ There are three basic types of interests: procedural, psychological, and substantive, discussed later in the manual.⁶ When planning a negotiation, it's important to consider your interests and the interests of the person/people you're negotiating with.⁷

Aspiration Point

An aspiration point is the best each party hopes to get out of a negotiated agreement. It is what each party aspires, or desires to achieve.⁸ As with a position, setting a rationally bound aspiration point helps create a positive negotiating environment. However, more aggressive negotiations can be marked by a wide divergence in parties' aspiration points. For example, when negotiating your holiday work schedule in a unit that runs 24/7, you might have an aspiration point of getting to take leave during the entire Christmas holiday (from Christmas Eve to New Year's Day), while the unit scheduler's aspiration point might be to give you only two days leave during the holiday.⁹

Reservation Point (or Bottom Line)

The reservation point is the least favorable option or offer either side might accept.¹⁰ (For example, the lowest price a government contractor will accept, or the highest price the government will pay). If the agreement doesn't fall between both parties' reservation points, then the likelihood of agreeing is low and negotiations may cease as one-party elects to execute its best alternative to a negotiated agreement, (BATNA).¹¹

Bargaining Range

This is the range between one party's aspiration point and their reservation point.¹² An alternative way to define bargaining range is the range from one's anchor (initial offer) to one's reservation point. Depending on the situation, the aspiration point and anchor may be the same. Each party in a negotiation should know its own bargaining range, but the other party's (or parties') bargaining range may not be known without information sharing. For example, each party's reservation point will not be shared in a typical bargaining situation. Therefore, each party will know its own bargaining range and can adjust it for each concession made by either party.¹³

Zone of Possible Agreement (ZOPA)

Zone of Possible Agreement. This is the area of overlap between each party's Bargaining Range. Also see, Bargaining Range. When there is no overlap of each party's Bargaining Range, there is no ZOPA, and therefore, there is no reason to continue negotiations without introducing a reason to adjust the Bargaining Range of at least one party to create overlap (ZOPA).¹⁴

The Best Alternative to a Negotiated Agreement (BATNA)

BATNAs are elegantly simple in concept, but notoriously difficult to execute.¹⁵ A BATNA is an option a negotiating party might execute should the negotiations fail. The key is you must be able to execute a BATNA without the involvement of the other party. A BATNA is not the negotiation's "bottom line" – a BATNA is something you can do if an acceptable "bottom line" cannot be achieved during negotiations. You should always know and improve your BATNA and always estimate (and, if appropriate, attempt to influence) the opposite's BATNA. An opposite is the person on the other side of the negotiation.

There are three keys to determining a valid BATNA:

- It must be an option that you can execute unilaterally (without any action or interaction with the other negotiating party). A BATNA is not a BATNA if it requires the participation of the other party.
- It must be a real option. It must be something you can and are willing to do and have the time, resources, and ability to execute. Knowing the strengths and weaknesses of your BATNA and the strengths and weaknesses of the other party's BATNA is critical.
- Finally, it must be perceived as credible by the other party. You may believe you can execute your BATNA, but unless the other party also believes your BATNA's credibility, it may be perceived as weak.

BATNAs may change during the negotiation as information and conditions change. For example, you may think you can walk away from the negotiation, then realize building rapport with your opposite is important, reducing your ability to simply walk away.¹⁶

Worst Alternative to a Negotiated Agreement (WATNA)

Worst Alternative to a Negotiated Agreement. A WATNA is essentially your worst estimate of your BATNA. In estimating the WATNA, you are giving maximum weight to the negative variables in your BATNA. For example: if you are buying a car, a BATNA might be to leave your current negotiation and engage with another dealer. A WATNA would be to realize that when you get to the other dealer, they may not have a car that you are interested in.¹⁷

Notes

(For full details, see the appropriate entry in the bibliography.)

1. Lewicki, *Essentials of Negotiation*, 14.
2. Harvard Business Essentials, *Negotiation*, 2-9.
3. Ibid.
4. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 14.
5. Ibid.
6. Lewicki, *Essentials of Negotiation*, 65-66.
7. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 14.
8. Lewicki, *Essentials of Negotiation*, 115.
9. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 17.
10. Harvard Business Essentials, *Negotiation*, 23-24.
11. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 18.
12. Lewicki, *Essentials of Negotiation*, 12.

13. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 18.
14. Ibid., 18 & 149.
15. Fisher, *Getting to Yes*, 97–106.
16. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 20-21.
17. Ibid., 149.

2. Military Negotiation Process: Pre-Negotiation Planning and TIPO

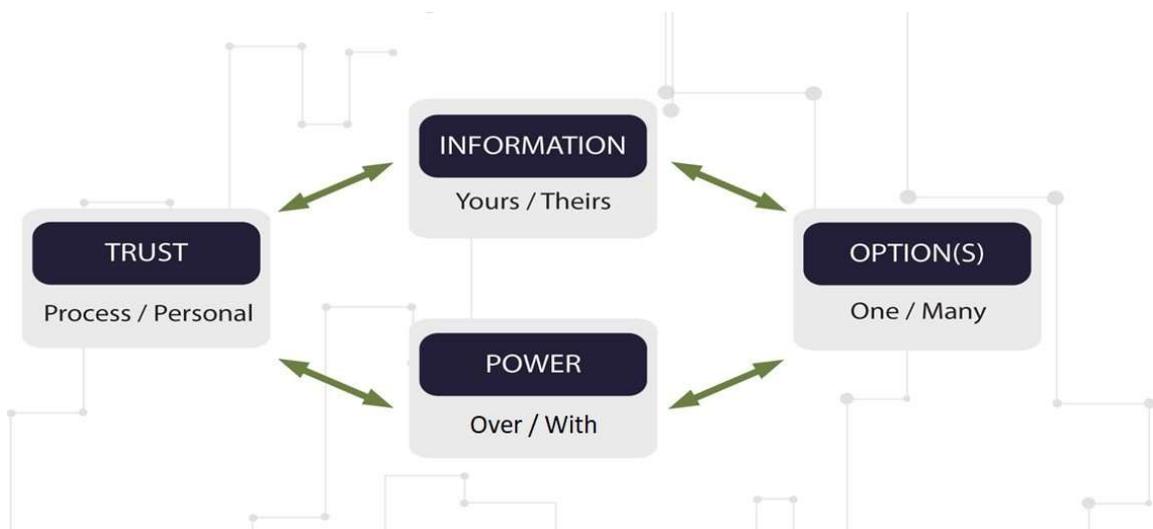
A military negotiation has three phases: pre-negotiation, negotiation, and outcome/end state.

Pre-Negotiation

Of the three phases, pre-negotiation is the most important; however, it's often the phase most overlooked. Being prepared when you enter a negotiation can give you a decided advantage over your counterpart or can help you decide to work more cooperatively to reach a mutually beneficial agreement. As part of your planning process, carefully consider all the items below to ensure you're thoroughly prepared before walking into the negotiation room. A Pre-Negotiation Planning Worksheet is available at the end of this manual to assist you in gathering the information you need.

TIPO Model

During your planning, use the TIPO model to get started. TIPO stands for Trust, Information, Power, and Options.



Trust

How much trust exists between you and the other party? Do you need to build trust? Do you care about trust? These answers and more will help you with your approach. Trust is defined as your evidence or belief that the opposite's interactions with you are or will be genuine and truthful. 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. Trust or reliability can also be replaced with rapport, which is more focused on establishing the relationship, usually early in the initial stage of the negotiation. It may be more important to build trust and/or rapport with a negotiating opposite before engaging in a problem-solving discussion. Trust can be categorized into at least two major categories; trust in a person or trust in a process.

Personal Trust: Personal trust stands alone. It's 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 option building 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 method supports a reasonable negotiation process. You trust these

processes promote outcomes that are justified (fair and impartial), legal, and ethically acceptable for both parties.

You don't always need trust to negotiate. For example, enemies may negotiate a cease-fire without trusting each other. The importance of trust building is dependent on the assessment of the situation. Trust building may be critical, or it could be something the negotiator can disregard. In negotiations, once trust is established it can help facilitate more effective communication and potentially more efficient negotiated outcomes.

Information

The level of trust directly influences how much information you share and/or whether you choose to listen and use someone else's information. If you trust the information presented, you may use it to help guide a decision. If your opposite trusts your information, they may be more willing to agree. You can also build trust or rapport by listening to the other party. Active listening can create a positive psychological shift even if you don't use their information to solve the problem. If you believe the information is incomplete, incorrect, or even intentionally deceitful, this will limit how you problem solve. Total information trust would mean you're fully willing to disclose all you know and expect the opposite to do the same. Many trusting relationships allow for a greater amount of disclosure during the negotiations, including, at times, revealing unpleasant or unpopular information. Based on a desire to build trust, you may use the opposites' information, or a combination of yours and their information. Bottom line, trust and information will influence how you approach problem-solving and ultimately whether you enter a negotiation or simply use power to achieve your position.

Power

We possess an assortment of power that enables us to accomplish various actions. From coercive to referent power, the type of power one should use needs to be carefully considered based on the assessment of trust and information. You can either have "Power Over" the other party where you outrank them and force them to do something, or you could use "Power With" the other party to help come to a mutually beneficial agreement.¹ Should you force the other party to do what you want based on using only your information? Again, if building trust and rapport is important, this may harm the relationship. If there's a high level of trust, or a desire to build it, one might choose to use "power with" to work with the other party. On the other hand, if trust is low and you have the ability, one might choose to use "power over" the other party to enforce their will or option outcome. What is important is slowing down your brain and using critical thinking skills to determine the second and third-order impact of how you manage conflict or problem-solving using power. This assessment ties directly to a problem-solving approach that will best achieve your objectives. It's critical to determine whether you can or should use "power over" or "power with."

The most predominant forms of power are:

- Expert: Having expertise in a process or subject matter gives you power.
- Referent or charismatic: People give you power because they either have a high identification with and/or respect/admire you.
- Position or Legitimate: This is self-evident in the military context. Position or legitimate power is the power available to you when others see your authority as legitimate, legal, and acceptable.
- Coercive: People having the perceived/actual ability to harm or withhold something from another have coercive power.

- Reward: The power to reward action. This must be perceived as legitimate by the person you're trying to influence.
- Influence: This is a combination of reward and coercive power. In essence, you're developing power by working with others. You build temporary or permanent coalitions by influencing others to join your cause or abandon the opposite's cause. This type of power is often used in multi-party negotiations when several parties band together to do something they could not do on their own.²

It's important to assess trust and consider whether you should rely on your information, someone else's information, or a combination of both parties' information. This assessment can help you decide whether you should enter a negotiation. Lastly, make sure you consider the type of power available to the opposite and know how your power is perceived by the opposite. It does little good to walk into a meeting thinking you have the power to impose your will only to find out you don't, not to mention failing to consider the second and third order impact of using "power over."

Options

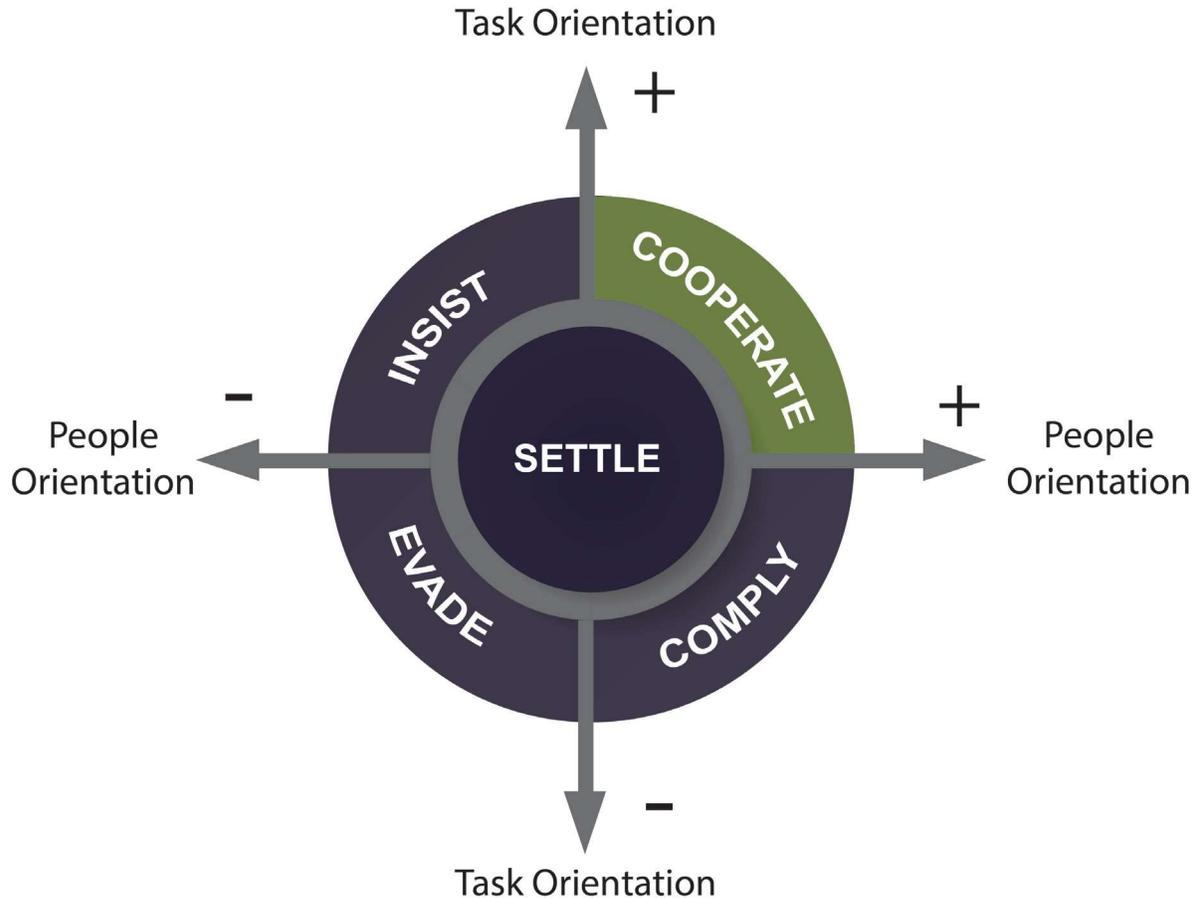
Options are just different ways to potentially solve a problem or come to an agreement. Option building requires two elements: first is defining the problem that needs solving and second is identifying possible resources (information, power, time, people, money, etc.) that may be applied to solving the problem. Usually when resources are available, more options can be developed. Note the first two words in the previous set of parentheses were "information" and "power." Information is key to developing options and power is key to making the options operational. Option building can happen in a trusting relationship, with a free flow of information, and sharing power between the parties, which may lead to ideas and perspectives you may never have considered. This is the heart of a cooperative or Interested-Based Negotiation (IBN).

Option building can also be one-sided, where maintaining or developing trust is not needed, information flow is stagnant, and the only alternatives might be demands made by leadership. Although sometimes a necessity, this may undermine option building and at its very worst you may be forced to use all the power you have to "operationalize" one solution while overriding the other party's objections. This can reduce trust/rapport as one must compete or force an option, possibly leading to less-than-satisfactory long-term results.

Notes

1. Lewicki, *The Role of Trust in Negotiation Processes*, 150-151.
2. Lewicki, *Essentials of Negotiation*, 150-165.

3. Problem Solving Approaches



In addition to understanding Trust, Information, Power, and Options, we also need to consider the type of problem-solving approach we might use to decide if one should negotiate and when. Problem solving approaches should be considered before, during, or to end a negotiation. Selecting an approach to problem-solving takes self-awareness and critical thinking. When selecting an approach, you need to consider the “task” at hand and the “people” involved in the negotiation.

Task

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

People

Do you need to work on the relationship? Do you already have a strong relationship? Do you care about the relationship? How you solve the problem can strengthen the relationship or harm it. In some situations, relationships may be more important to develop than completing the task. Or, is the

task more important than worrying about the relationship? It's worth considering the importance of the relationship vs the task. Focusing on the relationship is not necessarily about developing a friendship with the opposite, but more about developing trust and/or rapport. You must understand the second and third-order impact of improving or harming the relationship. Depending on this assessment you may choose to solve things your way, their way, or together.

It's important to note, all approaches have value and serve a purpose. Because negotiations occur in such a wide range of circumstances, no single approach will cover all situations. Selecting the most appropriate approach for the situation should improve chances for success. When the situation changes, a change in approach may also be prudent.

In addition to the task and people variables, assessing trust, information, power, and options will help you consider the best approach. Since trust, information, power, and options can and frequently do change during a negotiation, awareness and critical evaluation of these changes can guide your approach.

The following approaches to problem-solving use the two variables mentioned above, task and people. Ensure you select the approach you think will best help you meet your objectives.

Evade

The Evade approach to problem-solving is a passive, unassertive approach where you don't have any motivation to improve your situation or the opposites. When is it OK to kick the can down the road? Evade works if the issue at hand is unimportant to you, if you have higher priorities, or if you lack the energy to tackle the problem. Often the status quo is preferred to any envisioned solution. Also, you may use the Evade approach to problem-solving if you're faced with an opposite who has power over you, but you need to stall the process to gain more information about the issue. This approach may be a good strategy, especially if you can change the conditions down the road, allowing for the development of better options.

When assessing the task, relationship, trust, information, and power, this approach may be appropriate when:

- Task: It's not that important to you. If it's important, you need more information so delaying your involvement is appropriate.
- Relationship: No need to work on or build the relationship.
- Trust: You're not worried about building trust.
- Information: You're not motivated to gain the needed information. If you're motivated, as mentioned above in the "task" assessment, delaying may give you time to gather more information.
- Power: You may have the power to influence the opposite, but you are not worried about getting involved.

Essentially, the Evade approach is deciding not to enter a negotiation or you want to delay discussion or action within the negotiation. Delaying action simply avoids any immediate meaningful negotiations on the specific topic at hand. If the task or relationship is critical, this may not be the best approach.

Evade Bumper Sticker: "Not now, can you come back later?"

Comply

The Comply approach tends to delegate the responsibility of resolving the issue to the other person or party. The opposite is free to solve the problem their way, using only their information. This approach can be used even when you have power over the opposite. When preserving or improving the relationship between you and the other party is critical, you may comply even at the expense of the task. Under the Comply approach, options are lopsided 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, then complying may help.

When assessing the task, relationship, trust, information, and power, this approach may be appropriate when:

- Task: It may not be that important to you. If it's important, it's not as important as building trust or rapport.
- Relationship: Your desire is to sustain or improve the relationship.
- Trust: There's a trusting relationship between the parties, and/or there's a desire to build it.
- Information: You may have information, but you're willing to allow the opposite to use their information to solve the problem.
- Power: You may have all the power, but choose to comply to build trust and improve the relationship.

Comply Bumper Sticker: "Yes, absolutely, let's do it your way!"

Insist

The Insist approach is useful when you believe obtaining your objective is paramount, regardless of the cost to the relationship. You may insist and never enter a negotiation. You may be in a negotiation and insist on a particular issue or use the insist approach to end a negotiation. Usually, the party with the greater amount of power could insist. This approach requires critical thinking to ensure the result does not have unintended second and third-order results. When appropriately applied, this is a very useful task-oriented approach, but it's also one of the more misused approaches to problem-solving. The impact on the relationship must be considered. Option development under the insist approach is one-sided. The party that has the power to exercise a solution simply uses that power to make demands and leaves little room for movement and/or compromise. If misused, relationships and future negotiations could be at risk.

When assessing the task, relationship, trust, information, and power, this approach may be appropriate when:

- Task: It's very important to you.
- Relationship: No desire to sustain or improve the relationship.
- Trust: Trust either does not exist, is not needed, or is not valued.
- Information: Like the conditions in the power discussion below, your assessment reveals that you don't need or don't trust their information. You're assuming you have all the information needed for a decision and listening to the other party is not needed.
- Power: You not only have the power to do things your way, but you also need to do things your way promptly. In the assessment, you must consider not

only the power you need to demand your way, but to also have sufficient power to ensure decisions are followed.

Your options/solutions are all that matter, and you plan to demand they are followed. Again, the resolution outcome is one-sided – your side. An insist approach to problem-solving may be appropriate in a crisis when time is short. Even though you might trust the opposite, there's not enough time to gather information, share power, and take the time to mutually develop options.¹ Insisting is critical when executing the mission, when "People are dying, aircraft are crashing, and buildings are burning down."² These types of situations may call for decisive action with little or no consultation. As mentioned above, this approach could take place instead of negotiation, in the middle of a negotiation, or to end a negotiation. Position or expert power is often needed for success using the insist approach. When more durable, long-term solutions are needed, this is not usually an appropriate approach.

Insist Strategy Bumper Sticker: "Take it or Leave it" or "Today -- Do it My Way!"

Settle

The Settle approach to problem solving may be an option when you seek resolution but don't have time for a lengthy negotiation, insist is not the right approach, and/or you don't want to "give in" (Comply). By using the Settle approach, you may satisfy both sides by simply splitting the difference. Each party "gets something," but usually not what they really need or what fully satisfies them. You acknowledge you may not meet all your interests while understanding the importance of considering some of your opposite's interests. Settling usually results in a quicker negotiation and can be an efficient process, but rarely results in the most optimal outcomes.

When assessing the task, relationship, trust, information, and power, this approach may be appropriate when:

- Task: It's somewhat important to you.
- Relationship: You care about the relationship but improving it may not be paramount.
- Trust: May or may not be important. You don't want to hurt the relationship, but you're also not worried about improving it.
- Information: You perceive the opposite is providing reasonably accurate information, although you're not sure if they are partially or fully disclosing all their information. Because trust is neither strong nor weak, you may protect yourself by slowly sharing information.
- Power: Power could be evenly divided between parties. The settle approach allows both parties to exercise some control over the process and/or outcome.

Time could be a factor, so option development is somewhat limited. There's some element of trust, a belief the opposite's information is truthful (perhaps incomplete, but accurate), and acknowledgment that neither side has the power, or should unilaterally come to a solution. Again, the approach could be used within a negotiation or to bring a negotiation to a conclusion.³

Settle Strategy Bumper Sticker: "Let's just split the difference and call it a day."

Notes

1. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 46-57.
2. From a discussion with a MAJCOM/CC on his perspectives on the need for directness in decision making. Included in the discussions during the Air University sponsored Group Commander's Course, August 1996.
3. Eisen, *Practical Guide to Negotiating in the Military*, Edition 3, 57-60.

4. Cooperative or Interest-Based Negotiation (IBN) ¹

Negotiation often depends on each party's desire to achieve a mutually satisfactory outcome (task orientation) while simultaneously managing the relationship (people orientation). For this to occur, trust or rapport should exist, and/or there's a desire to improve it. Input from the other party is considered important and/or at a minimum gives the other party a perception of value. A negotiation is designed to share information and power for a mutually beneficial interest-based outcome.

Negotiations can be described as an interest-based problem-solving process characterized by focusing on a person's interests, not just positions. These interests are not always evident, may take time to uncover, can be at odds, but can lead to generating mutually beneficial outcomes. As mentioned, positions are pre-determined outcomes or demands that the parties believe would resolve the dispute in their favor. It's what they want. In contrast, interests are the underlying reasons why a party is aspiring to a certain position. It's why they want what they want (or what they need). A good negotiator will not ignore positions but will determine their underlying interests and the underlying interests of the opposite.

Review Positions

What you want.

Review Interests

Why you want what you want.

There are three basic types of interests: procedural, psychological, and substantive.

Procedural

Procedural interests are those concerning how a process is conducted. This can be the negotiation process itself or a concern about the process that has led to the issue in dispute. Negotiators with procedural interests are highly concerned with how the outcome is/was determined, and not as concerned with the actual details of the outcome.

Psychological

Psychological interests are how people feel, are perceived, and how they relate with others. For instance, a person negotiating for a job might be focusing on a specific job title. This is a psychological interest, because it deals primarily with emotions versus something tangible like increased salary or authority.

Substantive

Substantive interests have to do with tangible items such as prices, salaries, widgets, etc. Offering someone a briefcase full of money for damaging their property might satisfy their (substantive interest) but might not take into consideration their (psychological interest) of receiving an apology.

The basic premise of IBN is that the negotiation "game" is not inherently zero-sum, as in distributive negotiation where there is a winner and a loser. When utilizing IBN, there's a potential to create new value for each party involved while building an enduring relationship to handle the inevitable problems that crop up during the execution of nearly every negotiated agreement. Reduced to its essence, IBN proposes two groups working together will come up with a solution that's better than what either party could have generated on their own.

When assessing the task, relationship, trust, information, and power, entering into IBN may be appropriate when:

- Task: This is very important to you.
- Relationship: Important to maintain or improve.
- Trust: Trust/rapport exists or there's a need to build it.
- Information: Information can/should be freely shared and is valued by both parties. Information sharing is critical to option building.
- Power: Power is shared. Power "with" instead of power "over."

Because there's an exchange of information, there's also an exchange of ideas – resulting in multiple ways to possibly solve the problem. The negotiation is about the parties developing multiple options and then exploring which of the proposed options, either in its original or modified form, might best solve the problem.

Key features:

- Treat disputes and issues as problems to be mutually solved rather than a contest of wills and personalities.
- You don't have to like your opposite, but you need to respect them, and they need to respect you. Respect helps develop trust or at least rapport, which helps improve communication so information about interests may be shared and used to develop optimal solutions.
- Underlying interests are often at the heart of the dispute. It's more important for the parties to know WHY they want something (the interests) rather than focusing on just WHAT they want (the position). This is the hallmark of the Interested-Based Negotiation (IBN).
- Open communications, active listening, active asking, and critical thinking are important. 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.

A good negotiator will understand their own interests, consider the opposite's interests, work on prioritizing interests, and manage conflicting interests.

Negotiation Bumper Sticker: "Let's work together and come up with an even better solution"

As a reminder, things do change during a negotiation. Just because you start out using one approach doesn't mean you have to stay with it throughout the negotiation. As Trust is built or eroded, as more information comes to light or is withheld, as Power is wielded correctly or abusively, and Options are expanded or restricted, you'll be able to adjust to the approach that gives you the best chance of meeting your interests.

As a reminder, all the problem-solving approaches are appropriate depending on the variables, (Insist, Settle, Comply, Evade), and may be used before, during, or to end a negotiation.

Notes

1. Eisen, Practical Guide to Negotiating in the Military, Edition 3, 60-72 & 15-16.

5. The Negotiation

Does it matter who goes first?

Someone will inevitably start things off either with a greeting or a question. When that happens, roll with it. The reluctance to go first in a negotiation, the fear of “showing your cards,” might be taken as a sign of weakness. More important than who goes first, is to plan your negotiation and be ready to communicate.

Is the key decision maker at the table (Part of pre-planning as well)

It's important to note that “at the table” doesn't always mean “at the table.” In today's multifaceted world, some negotiations will take place over email, video, phone calls, in an office, a conference room, a neutral off-site location, in hostile environments, and so on and so on. At the table simply refers to the act of the negotiation itself. If the decision maker is not at the table, ensure there are means available to contact the decision maker during the negotiation. This is especially important in a time-constrained decision-making process.

Stakeholders and other interested parties

Just because you're the one at the table negotiating doesn't mean there aren't other individuals who have a vested interest in the outcome of the negotiation. These individuals are called stakeholders. A stakeholder is an organization or individual with an official or personal interest in the initiation, processing, and resolution of the conflict. Before initiating the negotiation, you should coordinate with the stakeholders to ensure you know what their views of the issues in controversy are. Other individuals such as union stewards, lawyers, and commanders may also have a say in reviewing and approving what gets negotiated and what agreements/settlements are made.

Communications

Everyone is familiar with the importance of communication. When we're not clear, when the other party is unclear, or we refuse to talk, we complicate the issue. Communications are much more than just an exchange of verbal dialog. Communication is ongoing and can occur through multiple sources including email, text, or written documents. The below methods of communication are some of the more apparent forms, but other less obvious aspects also exist such as body language and tone.

- **Tone | Volume.** Verbal skills, such as tone and volume matter. Often, it's best to keep emotion out of your voice and bias from your statements.
- **Behaviors.** Another fallacy is that you must be “tough” to be a great negotiator. Toughness is great, but just making demands without a plan or authority will not get you the result you were trying to achieve.
- **Active Listening.** Skills such as active listening (not thinking about your next statement, but listening to the other party while they're talking) can be the most important part of the negotiation. If building trust and rapport are a critical or a desired outcome, active listening can make or break this objective.
- **Active Asking.** One good way to monitor your communication is to ask more questions and make less statements. Active asking is a technique requiring you to listen to the presented information and then ask clarifying questions

based on what you just heard, not what you were thinking about while the person was speaking. (Additional information on active listening below.)

- Asking for Clarity. Make sure all sides understand what is said. This will add clarity in your verbal communications. You have heard someone ask, “What I hear you saying is...” Questions like these let the other party know you’re hearing what they say and make sure both sides understand what is being said. We can ask clarifying questions to make sure everyone knows what is said, but just as important, these clarifying questions can let your opposite know you listened.
- Framing. The way a problem is presented or “framed” can dramatically alter how you or the other party perceives the value or acceptability of the resolution. Framing can be strategically manipulated to direct performance in a negotiation. If you couch a proposal in terms of your opponent’s potential gain, you can induce them to assume a positive frame of reference and thus make them more likely to make concessions. They can also do the same in return. Be cautious when framing something to gain an advantage because it can appear disingenuous.
- Fair Exchanges. Take turns and let your counterpart speak. Work to establish a two-way pattern of communication. Give parties a chance to be heard.
- Body Language. Body language or non-verbal communication is an important part of negotiations. When you first meet, your initial body language can set a negative or positive tone. Body language should be planned and monitored. Watch for reactions to shared ideas. Breaking eye contact or crossing arms are simple signs that the other party might not be receptive to an idea. However, leaning into a conversation is a way to show interest.

6. Outcomes/End State

Documenting the Agreement

Not every negotiation ends in an agreement. For those that do, you might want to document the agreement. For negotiations that do not come to a resolution, you might want to document the current status. The preferred way to document is in writing. Some, however, may agree to simply shake hands and move on. It depends on the people involved, the complexity of the negotiation, and the parties' desire to have a written record.

SMART

When documenting the agreement, ensure all the items agreed upon during the negotiation are clear: who, what, where, when, why, and the how. Who is responsible for what? Where will it be done and when? How will it be done? Also, consider using the SMART acronym. Make the agreement Specific, Measurable, Attainable, Realistic, and Time Constrained. A vague or ambiguous agreement may increase the risk of possible noncompliance.

Stakeholders

There may be a need to include a verification process for each side to ensure the items agreed upon are accomplished. Documents should be reviewed by all parties and "recorded" copies should be maintained by both. In some instances, it may also be necessary to have the agreement looked at/approved by other stakeholders or agencies. If these reviews are necessary, it needs to be taken into consideration when deciding the timeline/milestones of the agreement.

What happens if an agreement is not reached?

What do you do then? You can implement your BATNA, let the situation cool down for a while, or you can try again if circumstances have changed for you or your opposite.

7. Barriers to Effective Problem Solving and Negotiation

There are an unlimited number of barriers that could affect your ability to negotiate effectively. From deeply held biases to simple communication problems, all can lead to barriers. Below are a few of the more common ones.

Emotions

In their book *Negotiating Rationally*, Max Bazerman and Margaret Neale stated, “The role of emotions or feelings, either positive or negative, remains one of the least studied areas of negotiation.”¹ Psychologist Alice Isen and her colleagues have found positive emotions are associated with greater generosity and helpfulness. It also enhances how much you like other people, improves your view of human nature and your creative problem-solving ability, and lessens your aggressiveness and hostility. Bazerman and Neale went on to say a couple of studies explicitly examined the impact of positive emotion on negotiator performance. Negotiators were given a small gift, thereby inducing a “good mood.” In subsequent negotiations, those who were in a good mood were able to reach more creative and more integrative agreements. More study is needed, but it’s safe to say our emotions can play a big role in negotiations. The more we can foster good feelings and eliminate feelings of anger, resentfulness, and fear, the better chance we have of reaching a mutually satisfactory agreement.

Biases

A bias can be as simple as mental errors caused by over-simplification and can be a lens that filters out, amplifies, or changes incoming information. This lens may keep us from thinking critically about the information and considering how it may or may not align with our preconceived understanding of the situation. Biases are built over time and are influenced by experience. For example, uncertainty bias is a strong need to manage risk. If something comes to your attention that may challenge this bias, you may inadvertently discount the information simply due to risk aversion. Confirmation bias is another example. This bias looks to verify your pre-existing views while dismissing contradictory information. In other words, you may think you’ve seen this many times and know the solution without giving it much thought. This could lead to a knee-jerk reaction and add to the problem instead of helping manage it.

Below are some other common biases:

- Age
- Gender
- Race
- Rank
- Religion
- Political
- Career Field/Education, for instance Air Force Specialty Code (AFSC)

Perceptions

Often, our perceptions are different than the other parties “at the table.” There are a few things about us we need to understand as we begin to develop our negotiation skills. Our brain is a great survivor, and it does something called “Thin Slicing.” Thin Slicing is a term used to describe decision-making based on limited information or “thin slices” of reality. For example, thin slicing limits one’s ability to

see the entirety of a complex situation, to see all sides of an argument, or to fully consider the interests of all parties in a negotiation. You may force information into confirmed mental maps or you may discard information that does not match. Therefore, you may miss a critical part of the information that would enable you to better reach an agreement. You might say you have “been there before,” prior to fully understanding the situation. This may lead to making faulty assumptions or at a minimum, distract you from listening to someone else’s opinion.

Notes

1. Bazerman, Neale, *Negotiating Rationally*, 121-122.

8. Overcoming Barriers

Self-monitoring

Self-monitoring is the awareness of how your actions and behavior can impact someone else who might not be like you. Self-monitoring serves as a tool to help you relate, understand, and/or better communicate with someone. The idea is to be attentive, and perceptive so you can better observe the situation. If needed, stop what you're doing, and ask questions to understand someone else's perspective. This is a powerful tool to help build rapport with people you're communicating with. It's not about weakness or faking our behavior to pacify someone else.

A high self-monitor asks, "What does this situation require (of me) and how can I adapt?"

A low self-monitor thinks, "Who am I and how can I be me in this situation?"

EXAMPLE: You're used to barking out orders or demanding that people do it "your way," but are informed by a trusted leader that you may need to adjust your management or leadership approach to better communicate with co-workers. A high self-monitor will at least consider the impact on mission accomplishment and possibly adjust their communication to maximize effectiveness. They might pay attention to verbal and non-verbal cues and exercise situational awareness. If appropriate, they will adjust their behavior to fit the situation. A low-self monitor would get uptight and think it's everyone else's problem and see no reason to adjust.

Active Listening

Active listening is paying attention to what someone is saying with a level of intensity that becomes tiring. Actively tuning in to what someone is saying is difficult. Most people think they are listening while they are inadvertently allowing barriers to cloud their ability to understand what the other person is saying.

An active listener will:

- Listen first and talk later.
- Accept responsibility for understanding.
- Summarize and clarify using statements such as, "If I heard you correctly..." or "Help me understand."
- Listen to learn, not answer.
- Listen to understand, not to judge.

To become an active listener, you should:

- Focus on what the other person is saying (both verbally and non-verbally)
- Don't challenge, interrupt, or start to problem-solve.
- Exercise patience.
- Care more about what the other person is saying, instead of making sure you're heard.

Active listening will enable you to ask better questions. Paraphrasing, summarizing, and clarifying what you heard will ensure you got the message right. Use questions to further understand what the other party is trying to communicate to you. This will not only help you understand their message but will also afford the speaker a level of respect. When people feel they are being listened to, it can improve respect, trust, and ultimately improve mission accomplishment.

The Shift in Approach

Using negotiation techniques is a shift in how to approach problem solving. This involves being less combative (when appropriate!) and will help lead to mutually beneficial solutions. Consider moving from a positional conversation where you state what you want, to trying to understand why you want something. Consider the position of the person you're speaking with but move to understand their interests as well. Why do they want what they want? Often there are underlying emotions, pride, and other barriers that may cloud what's important. At times there's nothing more important than building a relationship of trust... that can start with listening.

Consider a few other changes in your approach to negotiation and communication:

- Move from a more positional discussion, "This is the only way to solve this" to, "What are some different ways to solve the issue?"
- Consider how "splitting the difference" may lead to value being left on the table. The value may simply be ideas or resolution outcomes that you would not have learned without listening to the other party.
- At least initially try to make less statements about your position and ask more questions. This leads to rapport building and helps you learn and understand the other party's position and interests.
- Avoid trying to prove your point or garnering strength from trying to be right. Be open to learning and using creativity to reach a solution.

A shift in your approach may be needed to manage conflict, problem solve, and negotiate to enhance your ability to reach an agreement that is beneficial to both you and the other party. If an impasse is reached, consider the following:

- Take a short or long break.
- Go back to basics and define the problem.
- Ask a direct question like, "Can we reach an agreement?"
- Execute your BATNA.
- Use the chain-of-command, (which might be your BATNA!)
- Consider a facilitator to serve as a buffer and help with communication.

In closing, consider this about negotiating and managing conflict. Most people will agree with the concept of positively influencing people by listening. People tend to agree in theory with the information in this student guide, but it's much harder to put it into practice!

For more information on additional negotiation or conflict management courses, contact the Air Force Negotiation Center @ <https://www.airuniversity.af.edu/AFNC/>

Bibliography

- Bazerman, Max H., and Margaret Ann Neale. *Negotiating Rationally*. New York: The Free Press, 1993.
- Eisen, Stephen, Jr., *Practical Guide to Negotiating in the Military (3rd Edition)*, Air University Press, 2019.
- Fisher, Roger and William Ury. *Getting to Yes: Negotiating Agreement Without Giving In*. New York: Penguin Books, 1983.
- Harvard Business Essentials Series, *Negotiation*, Harvard Business School Publishing Corp., 2003.
- Lewicki, Roy J. and Beth Polin. "The Role of Trust in Negotiation Processes." In *Handbook of Advances in Trust Research*, edited by Reinhard Bachmann, 29–54. Northampton, MA: Edward Elgar, 2013.
- Lewicki, Roy J., Bruce Barry, and David Saunders. *Essentials of Negotiation*. 4th ed. New York: McGraw-Hill Irwin, 2007.

Appendix 1 - The Pre-Negotiation Worksheet

	YOU	OPPOSITE
<p style="text-align: center;">Position</p> <p style="text-align: center;">What you want</p>		
<p style="text-align: center;">Aspiration</p> <p style="text-align: center;">The best you hope to get or achieve</p>		
<p style="text-align: center;">Reservation</p> <p style="text-align: center;">The least or worst you would take before you walk away</p>		
<p style="text-align: center;">Interests</p> <p style="text-align: center;">Why you want what you want. What is the underlying reason why you're advocating for your position?</p>		
<p style="text-align: center;">BATNA</p> <p style="text-align: center;">Best Alternative to a Negotiated Agreement. If you walk away, what can you do on your own?</p>		
<p style="text-align: center;">Agenda</p> <p style="text-align: center;">Should you open with a statement, ask Q's, listen?</p>		
<p style="text-align: center;">Option Building/ Mutual Gain</p> <p style="text-align: center;">Can this build trust?</p>		
<p style="text-align: center;">ZOPA</p> <p style="text-align: center;">Zone of Possible Agreement</p>		
<p style="text-align: center;">Select the Best Option(s)</p>		

Appendix 2 - TIPO Model (Trust, Information, Power, and Options)

	YOU	OPPOSITE
<p style="text-align: center;">Trust</p> <p>Process or Personal</p> <p>Is trust building needed?</p> <p>Is time needed to build trust?</p>		
<p style="text-align: center;">Information</p> <p>Yours or Theirs</p> <p>Who has more?</p> <p style="padding-left: 40px;">Share?</p> <p style="padding-left: 40px;">Hoard?</p> <p>Why might it be important to hear the other person's perspective?</p>		
<p style="text-align: center;">Power</p> <p>Power Over or Power With?</p> <p>Do you value the other person's power?</p>		
<p style="text-align: center;">Options(s)</p> <p>Pursuing one/many?</p> <p>Will you push for your option / consider theirs?</p> <p>Time constraints?</p> <p>Could listening to options help build trust?</p>		
<p style="text-align: center;">BATNA</p> <p>Strong or Weak?</p>		
<p style="text-align: center;">WATNA</p> <p>Worst Alternative to a Negotiated Agreement.</p> <p>Can you walk away?</p>		