CHAPTER 12

Negotiating a Collective Agreement Using Positional and Interest-based Processes

**Contents**

PL 1. Developing principles for negotiating 1

References 3

# PL 1. Developing principles for negotiating effectively

The collective bargaining simulation provides an opportunity to define and test our principles of effective negotiation. Defining your guiding principles is as important to negotiating as it is to guiding your career. If you don't define your principles, others, be it friends, opponents or the situation,will do it for you.

*Why principles?* Principles are accepted or professed rules of action or conduct or propositions that serve as the foundation for certain actions. Principles are not scientific laws, but they may be informed by science and by our experiences. The best way to think of principles is to think of propositions or beliefs that inform the way you act. Or, they might be used to guide the actions of a group of people.

Take for example the negotiation of peace between Northern Ireland and Britain which resulted in an historic agreement that ended the violence in Northern Ireland. Retired US Senator George Mitchell played a critical role reaching this agreement which has been called the Belfast agreement or the Good Friday Agreement. Underlying his role in helping the parties come to an agreement was his use of principles. [[1]](#endnote-1)

The negotiations leading up to the agreement took 700 days, with over a year spent just outlining procedures and the agenda. One of the keys to Mitchell’s success initially was his usage of the “**Mitchell Principles”** or preconditions to the negotiations which included a commitment to nonviolence, open communication, and democracy.Mitchell also established a rule of “sufficient consensus” which allowed parties to vote against part of a proposal while still voting for the passage of the proposal as a whole.

**Principles of Negotiation**

Before negotiating, you might define and try and implement 5-7 principles which you believe will enhance your effectiveness. Your principles should be propositions that you believe will enhance your negotiation effectiveness. They can be based on principles that others use as well as those which have guided your experience.

In getting started, you might first review the literature on what others believe are important principles.

In one example, Roger Dawson, author of *Secrets of Power Negotiating*, outlines 5 principles he ascribes to.[[2]](#endnote-2) These principles include:

1. Get the other side to commit first. The first offer provides information you might need and gives you an understanding of their position.
2. Act dumb, not smart. In this case, smart is dumb is and dumb is smart as it indicates you know less than the other party. The logic is that generally people will respond to you and give you information when you are not informed.
3. Think in real money terms but talk funny money. This suggests that you should break the investment down to the fine details rather than the total cost. That is, what does it cost per unit, per month, per hour.
4. Concentrate on the issues. The idea here is to not get distracted by other personalities or other factors. This suggests to not get upset by the stance of other personalities in the negotiation and focus on the facts.
5. Always congratulate the other side.

Providing sincere recognition of progress and achievements contributes to good will between the parties.

In another example of negotiating principles, Kristi Hedges offers 6 principles in comments she makes based on Wharton professor Adam Grant’s book *Give and Take* and the ideas of Northwestern professor Adam Galinsky.[[3]](#endnote-3)

1. Share Information. Revealing information increases the outcomes and it shows the other party that you are more open.
2. Rank Order your Priorities. Research shows that you have priorities and some items may be less important. Ranking these items shows what opens are really on the table.
3. Go in knowing your **target price** and your **walkaway terms**:
   * Target Price/goal is what you are hoping for
   * Reservation price (your walkaway terms)
   * BATNA: Best Alternative to a Negotiated Agreement
4. Make the first offer. Some researchers suggest that people who make first offers get better terms that are closer to their target price. The reason is the psychological principle of anchoring, which suggests the offer anchors the starting position of the negotiation.
5. Don’t counter too low. Often people counter with too low an offer and they do it too quickly. You might let the other person know that their first offer is off the mark and you might go back in with a suggestion of a new offer.
6. Counter offers make both parties more satisfied. Everyone wants to know they got a good deal and that they drove a hard bargain. The back and forth offers increase one’s commitment to the process.

In reviewing the two sets of above principles, you will note that they are different. For example, in the first set of principles, the author argues that you should let the other person make the first offer, while in the second set, the authors recommend that you should be in the first the make an offer. This underlines the fact that principles are not absolute. They are based on evidence, experience, and your belief and experience of what will work.

A third set of principles can be found in Fisher and Ury’s book *Getting to Yes.[[4]](#endnote-4)*

1. Separate people from the problem or separate personal issues from task issues
   * Don’t assume, ask and seek clarity
   * Gather facts
   * Both personal and task issues are important information
2. Focus on interests, not positions
   * Don’t become too invested in your position
   * Focus on the goals and principles behind your position
3. Generate other possibilities – make the pie bigger
   * Dovetail - think of options that are low cost to you and  
     high benefit to other party
   * Brainstorm and focus on mutual wins
4. Use criteria that you both can agree on
   * e.g., make decisions based on agreed upon criteria & principles, not random pressure
5. Know your BATNA

**Task**

In developing your own principles, review the above set of principles and others you might find useful in the literature. Define 5-7 principles you might want to observe in a future negotiation. For each principle, define the logic and research evidence supporting each principle. In supporting your evidence go beyond what an author might say is a valuable principle. You should also identify the research evidence which is supportive. For each principle, you should have 3-5 paragraphs of logic or evidence backing it up.

# References

1. Accessed on June 27, 2017 at: *http://www.pon.harvard.edu/daily/conflict-resolution/negotiating-the-good-friday-agreement.* [↑](#endnote-ref-1)
2. Dawson, Roger, (2012). Secret of power negotiating. Career Press, NJ. Accessed on June 27, 2017 at: <http://www.creonline.com/principles-for-better-negotiation-skills.html#ixzz4l90Imryz> [↑](#endnote-ref-2)
3. Hedges, Kristi, Six Surprising Negotiation Tactics That Get You The Best Deal. Forbes Magazine. Accessed on June 27, 2017 at: http://www.adrhub.com/forum/topics/6-surprising-negotiation-tactics-that-get-you-the-best-deal [↑](#endnote-ref-3)
4. Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, (New York: Penguin Books, 1983). [↑](#endnote-ref-4)