

BUSINESS VITAMINS

Negotiations Types

Introduction

From bargaining for higher pay to discussing sales contracts, the business world presents many opportunities for negotiations - as it is a part of everyone's everyday lives and history from trading cards as kids to asking the boss for a salary raise or bargaining a purchase as adults. Sales training teaches how to negotiate price increases and to ask for discounts when buying. In a negotiation, each party tries to persuade the other to agree with his or her point of view. By negotiating, all involved parties try to avoid arguing but agree to reach some form of compromise. Negotiations involve some give and take, which means one party will always come out on top of the negotiation. The other, though, must concede—even if that concession is nominal. In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organization they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Definition

A negotiation is a strategic discussion that resolves an issue in a way that both parties find acceptable.

When to use it

Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities.

Details

Below is a list of negotiation types:



Principled negotiation - Principled negotiation is a type of bargaining that uses parties' principles and interests to reach an agreement. This type of negotiation often focuses on conflict resolution. This type of bargaining uses an integrative negotiation approach to serve the interests of both parties. For example, the leaders of two departments for a large company often argue over the resources for each department. The two leaders enter a principled negotiation to discuss solutions. They listen to each other's positions and decide to base resource allocation on the percentage of revenue each department generates for the company. The department leader who receives more resources agrees to support the other department's functions, and the two leaders reach a compromise.

Team negotiation - In a team negotiation, multiple people bargain toward an agreement on each side of the negotiation. Team negotiations are common with large business deals. There are several personality roles on a negotiation team. In some cases, one person may perform more than one role.

Multiparty negotiation - A multiparty negotiation is a type of bargaining where more than two parties negotiate toward an agreement. An example of a multiparty negotiation is bargaining between multiple department leaders in a large company. Imagine going to a conference with a group of colleagues. It's dinner time, and your group is standing in front of the hotel trying to decide where to go. Two people don't eat seafood, one person is a vegan, and another person hates sushi. One person says they're good with anything, but every time something is suggested, they say no.

Adversarial negotiation - An adversarial negotiation is a distributive approach in which the most aggressive party in a negotiation achieves an agreement that serves their interests. Some negotiators use adversarial strategies in win-win situations that should be collaborative. For example, an employer may leverage adversarial strategy in salary negotiations. Adversarial strategies are also commonly used in office politics.

EXAMPLES:

- Negotiating with a customer over the price and terms of a sale.
- Negotiating a legal settlement with an opposing attorney.
- Negotiating service or supply agreements with vendors.
- Mediating with students on lesson plan goals.
- Negotiating a salary offer after being selected for a new job
- Negotiating a leave of absence or the timing of a vacation
- Negotiating the terms of separation with an employer
- Negotiating a more flexible work schedule
- Forging a union contract
- Negotiating a contract for consulting or freelance services

