

# Managing the negotiation process

[Business](#), [Management](#)



Reflections on “ Salary Negotiation” role-play (lecture 2) a) Was your preparation sufficient? Explain why or why not. Using previous experience: I have been in this situation once in my life before three years back in 2015. So, I had slightly better understanding of the situation and the mind-set of the recruiter (especially because I got the deal, which is exactly equal to reservation point, which was a salary of 600, 000 INR in 2015). I also had an idea of what would be their various parameters and its limitations while negotiating. Although this negation is in Europe, I believe the recruiters generally think alike such as comparing your previous salary to offer the new salary etc. so I used this experience to anticipate the possible questions from the recruiter while negotiating. Inputs from Case: I was clear regarding what I can bargain endlessly, what not and to what degree after reading the role play case. I decided to get the offer letter and was prepared to consult on anything aside from trading off my reservation points too much. Figuring out reservation point: After reading the case thoroughly and discussing with the team, we set our reservation points in all the five segments: Salary, signing bonus, health insurance, holidays and start date independently. I proposed an overall reservation point as 67K EUR salary, 3K signing bonus, standard package for insurance, 24 holidays with immediate start date. I also ran through permutation and combinations between the five options and prepared various scenarios in which only a combination of target criteria gets fulfilled. For instance, there is a combination where only three out of my five reservation points are being met. In such scenario, I proposed the team to consider the deal if the salary and signing bonus which we assigned

highest priority were offered an amount which is at least 10% more than our reservation point.

Analyzing BATNA: Also, analyzed what would be my BATNA and it seemed to be very low because, in an all favorable scenario my BATNA would be a salary around EUR 60, 320 which is after 6 months. So, the NO DEAL is comparatively a very bad option. Although the BATNA was less, I used this to decide my target point for salary i. e. is 70K EUR which is 16% hike on my BATNA. I made plans to try my best to get a compensation but was also open to disappointments considering that the BATNA is not so great. Overall, by using the details provided in the case, learnings from the class and by using my previous experience, I believe I have done good preparation for the role play.

b) Which of your negotiation tactics and strategies worked well and why? Strategies that worked and why: Attention to detail: Lucidity on my reservation point and BATNA influenced me to feel certain about building up a positive pitch and environment which maintained a professional level of negotiation with less feelings and more rationale. Balanced push and pull negotiation style: We had a constant push and pull negotiation style with various rounds of counter offers but maintained some level of balance in the all the counter offers by trading off some of the sections especially holidays which was of least priority for me. This made the negotiation a tangible process. Not making first offer: We let the recruiter make the first offer as there was a broad range (65K-80K) mentioned in the expected salary and I didn't want to end up with the smaller portion of the pie. Setting Nominal Initial Target: Since the first offer was 65K Euros, I have set a nominal target as 78K and started my counter offer as 78K EUR with a slightly risky

negotiation style. But since the initial offer was close to reservation point, I could predict that the zone of possible agreement will be surely more than my reservation point which is 67K Salary. This helped us to extract the maximum value. Tried to ensure everyone is happy: Indeed, even the last offer that I got from the recruiter was something more than my reservation point, I didn't influence them to feel that I have something more than whatever I needed. I felt that this was important considering my long-term future with the company. Strategies that didn't work and why:

- **Hard Negotiation:** When I talked about my counter offer, they were off by a long shot to that and not prepared to go up to that and indeed, I could see the negotiation going towards a no deal. So, hard negotiation didn't work by any means.
- **Pretend a NO DEAL situation:** I took a stab at pretending a no deal situation to test their reaction, but there were no significant changes in the counter offers.
- **Beating around the bush:** We tried to get better deals by indirectly letting know that we are not happy but unless we presented a counter offer, the negotiation did not proceed. What are the key learning points of this exercise?
- **Build trust:** I learnt that a building trust is the important to become a successful negotiator. This is because no one wants to enter a negotiation with someone they don't trust. In this deal I shared all necessary details transparently without lying anywhere from the start and built the trust. This made the recruiter believe in my need for signing bonus as they trusted me, and I got a good signing bonus.

- Adjust the target point dynamically: I understood that target point should be always be adjusted dynamically in a negotiation and the difference between the target point and reservation point totally relies upon the underlying offer made by the other party.
- Home work on other party's mindset: I learnt along with good preparation on case details, doing homework on understanding other party is also beneficial. I researched about recruiter's mindset in general before negotiation and this helped me to do some counterfactual thinking and improved my self-confidence.
- Compassion: Compassion or being empathetic can also play a huge role in the negotiation. Because I understood their urgency to start the work and put myself in their shoes I decided to call off the thought of taking any holidays and join the company early. Even, they understood my situation and increased my total holidays in a year. So, generally compassion is a boomerang however not generally.
- Body language: Analysing body language may give us certain clues in terms of the level of honesty in the other party. I learnt most people will look left while telling the truth while doing this case.
- Hide your weakness: Everyone has weaknesses and it's no big secret, but what exactly is the weakness is a big secret and hiding this from the other party in the negotiation process will help anyone to get a better deal. After understanding that the other party is not sure of my prospects in my current company and about my other offers, I decided not to bring up the topic unless they ask me. If they know that my chances of promotion that will have a major influence with my BATNA. I

felt that the other party would exploit this and use my weakness for their advantage while negotiation.

- **Teamwork:** I learn that team work is more important in a negotiation and having a team is more powerful than solo negotiators because each team member will have unique abilities. I also learnt that while working in a team agreeing on roles before the negotiation process is important to avoid disagreements while negotiating.
- **Be a good listener:** Active listening is important in any conversation and is very important in a negotiation process. The initial couple of minutes of the discussion are exceptionally significant to comprehend their reason that pushes them to make a deal. When comprehended well, it is easy to recognize a match between their reservation point and mine and wind up with a win-win bargain.
- **Communication:** I also understood that voice modulation along with perfect pause between the sentences can create a better reach with the other party especially when dealing with people from different nationalities and accents.

Reflections on “ Bullard Houses” role-play (lecture 7) a) What do you believe would have constituted unethical behavior for the party you played in the exercise? Did you or the other party overstep any ethical boundaries? I believe, I haven't overstepped any of my ethical boundaries representing Downtown, as I have clearly communicated my interests and priorities and shared all the information to earn trust. But. the other party has indulged in unethical behavior consciously by hiding crucial information. The other party has completely overstepped on the integrity boundary and hid the facts

despite knowing the priorities and interests of Downtown. They took advantage of the fact that there is time constraint for us to arrive a decision on this deal and deliberately lied to get this deal which resulted in damage of emotions and trust. The below are the reasons which I believe would have constituted unethical behavior for the other party:

**Enticement:** The result of this deal would have been enticing them that they needed to push us towards their reservation point at any cost and using all means of flawed data and affirmation.

**Vulnerability:** There are chances that they probably won't have been intentionally mindful that what they are doing is deceptive and they expected their go about as moral.

**Powerlessness:** In due diligence to the real fact, when they felt their situation is weak and we have a higher power they would be pushed to a dilemma to make false promised and false assurance to gain some level of power and close the deal in favour of them.

**Anonymity of victims:** If they are sure about the fact that even if they manipulate data or information the other party would not get to know the source of manipulation, they would indulge in one such unethical activity as at any cost there would not be any complete damage to their face value and they can always enjoy the benefit of doubt.

**Emotional reaction towards wealth-based inequity:** If the personal trait of the negotiator is more towards maximizing the value of winning the deal under

any unfavourable circumstances too, he would be tempted to get involved in fraudulent behaviour as winning is the utmost important factor for them.

Negative inequity: Apart from winning, there is few negotiator who always wants to get the large slice in the bargaining zone irrespective of their situation and the other party's situation. These negotiators have a very less empathy by nature.

Being in a team or group: According to various researchers, it is a mere fact that people are tempted to lie more when they are put in a team or group when compared to handling a negotiation single handily. This is because of the team dynamics and synergy that they need to maintain even when one misrepresents a crucial piece of information. Organizational culture: Even when the individual has strong moral values, in many instances, the organization fails to create a favourable environment that supports an ethical behaviour instead it gives tempting options to get indulged in a manipulative behaviour.

Sins of omission: Just because we were very narrow in what we wanted and let the other person know that we will agree to make a deal with Option A under any circumstances, the other party would hide the alternate better options from us.

One shot: As this negotiation is a one-shot situation, with no potential for a long-term relationship, they took advantage of it. The illusion of superiority: They viewed themselves and their actions much more favourably than others view them. They focused on their positive characteristics and downplayed



their shortcomings. So, they would have believed that they are more honest, ethical, capable, intelligent, courteous, insightful, and fair than others.

The illusion of control: They would have believed to have more control over events than they really do.

Time pressure: As we had a time pressure to decide on the offer between Wimbledon, Gentrification and Grouse before midnight, this has put our stake weak and gave confidence to the other party that they would not get caught at least before signing the deal. b) If you played the Downtown role: What approach did you take to gathering important information?

Asked open ended questions: Analyzed company background: The company had a sound financial and background experience in working in similar projects and that made us give priority and consider them for the deal as we count on the money for sure.

Clear agenda: We had a detailed pre-negotiation meeting in which we jotted down all the important parameters and how it is to be sequenced and what are all the questions that we should seek for a response. Options: Analysed the BATNA and predicted the reservation point of the other party with whatever details they shared. Attitudinal structuring: Have analysed the attitude of the other party at different instances throughout the meeting and predicted the consistency and commitment towards the deal. Body language: we paid attention to their body language to understand whether the information conveyed by them are genuine.

Understanding their interest: After conveying our interest, we heard their interest in buying the property and there was no ambiguity and it was very much in line. We asked for a detailed explanation of their Plan after buying the property and it was very much aligned with our reservation point. c) How effective was it? The approach was partially effective, because although I asked open ended questions, I felt I didn't ask the right questions or didn't dig deeply into the answers provided. This along with the unethical behavior of hiding the facts from other party made my approach ineffective. d) What are the key learning points of this exercise? To err is human: As human beliefs and value system are bound by various factors, it is quite common for one to get influenced by negative factors and to adopt an unethical negotiation practice. Defence mechanism: By understanding the above fact, it is very important to be prepared for such instances and be prepared and equip self with all the defence and analysis mechanisms to identify the level of genuineness in the other party's shared facts.

Persuasion tactics: We do not necessarily have to have the power to be persuasive. We need to identify the techniques negotiators can use to induce attitude and behaviour change in their opponents. However, we need to caution negotiators that power also can be used against them as well.

Central and Peripheral tactics: It is important to understand the heart and mind of the negotiator through the central and peripheral route. Where the central route is a direct, mindful, and information-based approach that helps in dealing with analytical people who focus on information, facts, and data.

Can use peripheral route if we find the negotiator more on the emotional aspect. Negotiation ethics: Whatever may be the position, one should be

aware of the negotiation ethics to avoid being trapped under psychological bias.

The cost of lying: Unethical behaviour would just give a short-term benefit and it is very important to save one's face value to sustain in the market as at the end of the negotiations revolve around the trust factor where good will once lost is lost for all.

At times failure is inevitable: All that you can do is a good preparation to understand various pitfalls that would happen during which can be avoided by self and analysed well but there are few instances where we would be completely helpless and get fooled due to unfavourable situations. Have a recovery plan: Once you get to know that the deal which you made is a complete disaster, have a backup plan to handle them wisely and Lie-to lie is not a good approach. Understand the negotiation strategy and handle them wisely: Like how well we do our homework, equally the other party would be smart to understand their negotiation tactics and don't fall in the trap.