

# Emerging Trends in Organizational Negotiation

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## Abstract

The business world revolves round the circuit of negotiation either for price fixation, contract awards, position attainment, in fact whatever business terms and conditions - there is scarcely any dealing in that world that goes without it; with the party (ies) with the most advantage getting it in the positive often times. Taking cognizance to that truth, this paper presents a case for the adoption of right –in- time, worthwhile approaches to getting a deal in the modern day's business world; predicating negotiating advantages on the right chemistry of the aforesaid. Employing a practical / empirical perspective, the approaches, conditions, principles and laws of effective negotiation is herein presented with a conclusion that if the right principles and laws are obeyed and the right approach adopted, winning in dealings in our highly competitive and turbulent business world is certain.

## 1.0 INTRODUCTION

One pervading phenomenon in every work organization is the inevitability of interaction especially persuasive interactions aimed at winning the efforts of one person either to the advantage of the other or for the mutual good of the parties. The resultant implication of the foregoing is the fact that most successful people in almost every field and organizations are those who in addition to their expertise do possess the extra-ordinary skills of understanding people's behaviour as to knowing when and how to tactically demand for and get what they want at every point. But given that not just one person owns the reserves to those skills, there now exist the need for bargains either in a structured /conscious or unstructured / unconscious manner; either involving solely the parties or third parties; either individuals or groups of individuals or organizations or groups or organizations. This is the hallmark of the concept of negotiation in organizational lifestyle studies – organizational behaviour. The truth is that negotiation occurs at every level of human interaction – humans trying to get what they need but do not have or they have but not in the quantity, quality or time needed etc. This paper is out to expose the nitty-gritty of this relationship foundry and to suggest ways of enhancing its effectiveness to achieve higher organizational effectiveness – performance and profitability.

## 2.0 THE CONCEPT AND PROCESS OF NEGOTIATION:

We shall in this module, attempt for presentation the meaning of negotiation, the classes of negotiation and the process of negotiation.

### 2.1 Negotiation- What is it about?

Suffice it to point out here that, Henry Mintzberg one of the founding fathers of Business Policy, over four (4) decades ago, while presenting the roles that managers play as against the previously held functions of managers, has opined that managers played over fourteen roles amongst which was that of being a **Negotiator**. He posited that as part of that role, a manager bargain with supervisors for funds, facilities, equipment, or other forms of support; he also bargains with other units in the organization for the use of staff, facilities or other forms of support; and more so, he bargains with suppliers and vendors about services, schedules, and delivery times. Indeed, that was a seeming compendium of the basic relational activities that exist and bind work organizations together. So workplace relationship is all about negotiation. But what is negotiation?

Robbins S.P.(2003), defines negotiation as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them. He noted that the terms negotiation and bargaining are often used interchangeably.

According to Robert Mayer (2006), it is the calculated acts or process of outgunning, outmaneuvering or cordially arriving at conclusions on arrangements of mutual co-existence and benefits.

Again, Ratnam (2009), has it that it is a process in which two or more parties who have common and conflicting interests come together and talk with a view to reaching an agreement.

***In all, negotiation is the process of attaining either sole and / or mutual agreement or benefits by parties through conscious efforts involving interest projection, proclamation, protection, enforcement, and bidding, through purposeful persuasion and constructive compromise. It entails conscious efforts at;***

- a. Obtaining substantial results – a cost / benefit balance for the parties*
- b. Influencing the balance of power between the parties vis-à-vis their interests*
- c. Influencing the atmosphere – through the promotion of a constructive climate and positive personal relations between the parties*
- d. Influencing the constituency*

*e. Influencing the procedures – through the development of a more flexible procedure that can enhance the chances of reaching interest-fulfilling conclusions.*

***The most important ends- in- view in every negotiation are the processes, the results, and the shifting of grounds (where and when necessary), in order to solve a problem- that is, resolve a conflict or an impasse.***

## 2.2 Why Negotiation in Organizations?

The importance of human relations which is an embodiment of social interactions based on held interests and the necessity of promoting one at the expense of the others' or to attain all at the same time, opens up the wide way for people to interact, agree and at times disagree to agree, in order to symbiotically attain the needs of the parties. Also, the Pluralist's view of organizations as being power-driven, political, and conflict-prone justifies the inevitability of spontaneous resolution of every arising misunderstanding for the organization to continue its existence.

If the foregoing is anything to go by, then the relevance of negotiation which is the basic leadway to resolving conflicts and finding solutions to almost all organizational problems cannot be overemphasized. A highlight of some of the reasons for the preponderance of negotiation will therefore include:

- a. To fulfill the requirements of symbiotic human relations in organizations.
- b. To fairly allocate scarce resources at the avail of organizations.
- c. To augment needed skills for goal attainment.
- d. To effectively acquire and harness needed skills, efforts, and resources in keeping with the directing functions of management.
- e. To enhance organizational conflict resolution / or mitigation thereby enhancing organizational harmony and tranquility.
- f. To meddle the coercive tendencies of some power-drunk organization leaders.
- g. To enhance participatory leadership styles at workplaces.
- h. To structure jobs to fit the needs of employees.

## 2.3 Levels / Classes Of Negotiation At The Workplace

There hardly exists any human organization or activities involving more than one party that can do without negotiating. In fact, human relations in its entirety is a negotiation-packed relationship at all levels and facets. Thus at the workplace, negotiation has been identified to exist at the following levels:

- a. **Employer- Employee level:** These exist at the pre-entry stage and also at other relevant stages of the bipartite relationship. Terms of the employment contract dominates talks at this level of negotiation.
- b. **Vertical Negotiation:** These are the negotiations that take place between managers and their subordinates or managers and their bosses at an unequal level of social relations. It could be formal or informal.
- c. **Horizontal Negotiation:** These are the interactive relationships for benefits bidding that exist between managers and their peers; between two work teams (on a project), and between firms operating in an industry.
- d. **Labour Vs Management Negotiation:** This is the core of industrial relations. Friendly working terms and conditions are the highpoints of the negotiation agenda in this case.
- e. **Operational Chores Level:** Here negotiation goes on between sales persons and their customers; purchasing agents and their suppliers; functionally related work units / departments etc.
- f. **Ordinal Range Negotiation:** This is the rather informal interaction that can give an award as per benefit to one party at the instance of the other between co-workers, between team-mates etc. This may include such trivial agreements such as one worker agreeing to take the phone calls of another, if the other can help him typeset a memo or some other benefits either present or future.

*It could be stated here that any agreement at whatever level of organizational relationship that can accord an **award** – benefits, either present or future to one party on the fulfillment of the terms thereof could be seen as negotiation.*

## 2.4 The Negotiation Process.

To every negotiation there exist four (4) broad stages namely preparation and planning, discussion, bargaining and agreement.

### 2.4.1 Preparation and Planning For Negotiation:

It is a popular saying that to fail to prepare, is to prepare to fail. Negotiation is like taking the war to the enemies' territories especially when the interests are divergent. So the homework must be done thus:

- a. **Collect Information:** Facts on relevant aspects are needed to produce strong and cogent

evidence to substantiate your demands / arguments. Gather information about the nature of the conflict, the historical analogies of the conflict, who is involved and the perceptions of the conflict. Use your information to develop your strategy.

- b. **Set Objectives:** Have a target in a range for your demands and be armed with that. For instance, 25% wage increase is ideal, 20% targeted, but wage rise below the inflation rate is the resistance point. This is what Robbins (2003) referred to as the BATNA – Best Alternative To a Negotiated Agreement – that is, the lowest value acceptable to you for a negotiated agreement. Any offer above the BATNA is a better deal than an impasse. So that should be a guide in setting objectives.
- c. **Establish Priorities:** Distinguish between what must be achieved and what might be achieved; create room for flexibility.
- d. **Assess the other party and its case:** Define the ground rules and procedures with the other party over the negotiation. Study their needs, strengths, and compulsions well enough in advance. Then decide who should go for the negotiation, where it should be held and even the time. You would also decide what next in case of an impasse.
- e. **Note Details** - Arrange for the taking of precise notes of who said what at every stage of the negotiation process and leave space for details and to record your arguments.

#### 2.4.2 Discussion Stage:

Here clarification and justification of positions is done. Usually after initial positions have been exchanged, there would be a need for both parties to explain, amplify, clarify, bolster, and justify their original demands. Note, parties here must abhor confrontation rather it should be an avenue for greater education of each other on the relevance of their initial demands. Relevant evidence could be made known to the other to buttress one's points.

#### 2.4.3. Bargaining Stage:

Negotiation should yield for all concerned parties something of value; through a give-and-take approach to hash out an agreement. While bargaining therefore, the following should be borne in mind:

- a. That there cannot be any bargaining if either party takes a fixed stand and is unwilling to cede its set position.
- b. Parties should be considerably flexible by showing willingness to make compromises, offer concessions, and develop packages that are mutually beneficial.
- c. Consider beforehand different ways of dealing with stalemates or deadlocks.
- d. Be objective, have a good understanding of the issues rather than be emotional about them or take things personally.
- e. Endeavour to focus on the issues (problems & interests) and not on the person(s), and taking positions.

**2.4.4. Closure and Agreement Stage:** This is the end point of the negotiation. All the bargains are condensed into a common ground and usually documented for purposes of codification and future reference.

The following guide should be followed in closing a negotiation and drawing up agreements:

- a. You must define the scope of the agreement – showing to whom the agreement applies and those it does not.
- b. You must define the time-frame / duration of the agreement.
- c. Write down clearly what has been agreed.
- d. Ensure that the conditions (if any), for operationalizing the agreement and the consequences of non-compliance to the arising obligations are clearly specified.
- e. Enshrine procedures for interpretation and implementation clearly as part of the agreement.
- f. Representatives should brief their members on the content of the agreement before signing. ( in case of unions),
- g. Sign the agreement, and possibly register it with the competent authorities,
- h. Circulate copies of the agreements among members'
- i. Be tactful in publicizing the agreements.

Note, the foregoing applies to both industrial conflicts (involving management and trade unions) as well other forms of negotiation for conflict resolutions.

## 2.5. NEGOTIATION: APPROACHES AND OBJECTIVES

### 2.5.1 Negotiation Approaches:

Robbins (2003), posited that there are two general approaches to negotiation – distributive bargaining, and integrative bargaining.

But we shall here present three different approaches namely, persuasive, offensive, and defensive bargaining.

- a. **Persuasive Approach:** Although there exist elements of persuasion in every negotiation, most times there are situations wherein coercion or possessions of some power-based opportunities are used to intimidate, thrill or force one into an agreement. The persuasive approach negates any attempt at

utilizing undue influence to gain advantage. Often than not, much is not reaped from mere persuasion, except in non-pecuniary relationships such as marital, friendship, and other sex-based relationships. It requires bringing the other person around to see things your way.

It adopts the *persuasive equations*:

**Lesser Price (Benefit) = Lesser Deal**

**Same Price (Benefits) = Expanded Deal**

**Expected Award = Concession.**

- b. **Offensive Approach:** This is same thing as Robbins' distributive bargaining – a negotiation that seeks to divide up a fixed amount of resources. It is also called **hard bargaining**. Here the winner takes all; because there is a clear winner and a clear loser. Negotiation is here seen as a **competition** amongst **competitors**.
- c. **Defensive Approach:** This is same as the integrative bargaining approach. It is a negotiation that seeks one or more settlements that can create mutual benefits / or loss situation to the parties. It is also called **soft bargaining**. It is characterized by high flexibility, shifting of grounds and an easy to attain target point with a far-fetched resistance point. It is a negotiation involving **co-opetitors (a cooptition)** instead of a competition. The negotiators engage a game-players' mindset.

*Note that in terms of intra-organizational behaviour, all things being equal, integrative bargaining is preferred to distributive bargaining. But it can only thrive where there is open information and sincerity of purpose by the parties, mutual sensitivity of parties to their needs, mutual trust, and willingness for mutual flexibility.*

### 2.5.2. Negotiation Objectives:

Different interests guide different negotiation processes. These constitute the objectives of negotiation and include:

- a. **Win-Win objective:** Here the negotiating parties' aim is to win, with the belief that **'winning is everything'** or **'winning is the only thing'**. It is an output of hard bargaining.
- b. **Lose – Win Objective:** Here the intension is for one party to achieve most while the other less; or the one party loses while the other should gain very little or nothing. Still a fall- out of hard bargaining situations.
- c. **Lose-Lose Objective:** The intension is for both parties to gain nothing out of the discourse. It reflects an attitude of **'take it or leave it'** or **'nothing for nothing'**. May result from adamant persuasive approach or over defensive situations.
- d. **Win-Win objective:** The intension here is for both parties to get what they want. Parties believe in mutual gain. It is a product of soft bargaining.

**Note that the following are necessary for the attainment of win-win negotiation:**

- i. Parties should focus on their interests, not to take positions
- ii. Parties should focus on the problem, not the person- getting personal or disparaging only shows a lack of respect and trust, which can result in the negotiation process failure.
- iii. Invent multiple solutions.
- iv. Parties need creativity- especially in tough situations.
- v. Expand the pie – Endeavour to deliver the interest of the aggrieved without increasing cost. e.g. increasing wages but utilizing labour more creatively to cover the cost.
- vi. Adopt non-specific compensation – give the other parties something that is valued more by them but not much by you.
- vii. Log rolling – enhancing forward movement by focusing selected points on the agenda that portrays a seeming convergence of interest of the parties.
- viii. Bridge the gap in perceptions through reformulation of the issue – be objective in considering both the 'gives and the takes'.

### 3.0. MAKING NEGOTIATION EFFECTIVE:

To have an effective negotiation, one need to have the right skills / techniques, possess the right powers, obey the right laws, and above all, maintain the right secrets.

#### 3.1 Effective Negotiation Skills / Techniques:

Today's super negotiator is a problem –solver, who seeks hard- bargain results while using soft touch. The following skills/ techniques are required to be effective in the game playing of negotiation:

- a. **Persuasive Listening:** This is the act of knowing that there is a difference between listening and concerned listening. It involves occasionally but frequently interrupting to let the speaker know you are tracking the discussion. But limit these unobtrusive interruptions to inquiries that clarify what is being said or briefly acknowledge that what is being said is understood, although not necessarily agreed to. This arms the listener

with the weapon of calculated countering of the positions of the speaker and reaping influence. It is helping the speaker clarify his or her ideas by repeating back or paraphrasing from the speaker's perspective what has been said. It enhances the chances of having influence over the speaker and his position.

- b. **Engage in cerebral foreplay:** This is the soft-touch shaping of how the other person feels about you. Note that, people will react to the way you act. Good feelings yield good deals. Agreements are made not just on the basis of reason and facts but on whether the deal feels right.
- c. **Hit the ground walking:** This could be done by using two techniques – *underwhelming your opponent* (by demonstrating low-key style, thereby relaxing and making the people less resistant); and *lightening up* (by reducing the defensive tendencies of the other parties by taken a trip off the main / hard focus – tell a story, crack jokes , etc). Note, *that lebreakers shape a persuasive climate*.
- d. **Personalize the Process:** Speak for yourself rather than your company. Be humane and give room to humanizing so as to reduce the competitiveness of the process but rather making it more cooperative. It may work well in situations where there is much time available for the negotiation.
- e. **Establish Rapport:** Trust and credibility are essential ingredients of the persuasive progression; and sine qua non for negotiation. Without these ingredients, negotiation would be nothing than discussion, as commitment would be doubtful.

This technique requires the attainment of a high comfort level with the other parties and the adoption of **tactical rapport** – an understanding that your problems and needs are usually both boring and of little consequence to the other person, whereas theirs are of paramount importance. So pretend or seem to be in their shoes and you gain their trust and create your comfort.

- f. **Create a Positive Aura:** Negotiation is a product of persuasion which is a function of attitude; positive versions of which will produce positive results while the negative will produce hostility, all things being equal. Therefore, reflect a positive reflex in your approach, your voice, demeanor, and attentiveness. You should be perceived to communicate concern, empathy, understanding, and a desire to work and walk side-by-side instead of toe-to-toe.

*Note, however that, to be positive where your opponent is sour is not an easy come-by; but the worthwhile end is the result in view. So be true to your commitment and game play to score your goal and thereafter the rest could be thrown to the wind.*

- g. **Create Involvement:** The rule here is tactical involvement. When the opponent needs a deadlock that will be costly to your side, you need to create situations of continuity of talk to reduce the cost. Tactical involvement is the skill required. You may persuade further, shifting bases or restate or restructure your positions. Worthwhileness is the key. You may need to ask for their advice, help, assistance suggestions, opinions, or anything else that causes them to become involved in the scenario being played out.
- h. **Social Intelligence:** This is a shorthand term for being intelligent not just about our relationships but also in them. This act of expanded focus in relationship studies helps one to look beyond the individual to understanding what actually transpires as people interact – and to look beyond narrow self- interest to the best interests of others too. It is an embodiment of both emotional as well as spiritual intelligence.
- i. **Politics-** Be politically conscious, engage the necessary political skills such as calculated deception, lobbying, disguise etc, when need be.

### 3.2 Negotiation Laws / Principles:

Given that often in every human interaction, your award (rewards) is a function of your negotiating abilities; there are laws and principles that bind its effectiveness. Note that, because organizational relationships are always pecuniary, the principles and laws of negotiating in organizations are closely related to economics which is a science of value, and prudent allocation of scarce resources. We shall therefore separate the principles from the laws for purpose of this presentation.

#### 3.2.1 Principles for Effective Negotiation:

- a. **The Principle of Subjective Value:** This has it that a transaction is possible only when both parties value what they are getting more than they value what they are giving in trade. In a free society, transactions will only take place when the parties believe that by engaging in the deal, they will be better off after than before the deal. So is negotiation. People will concede or even engage therein because of their personal preferences of having benefits.
- b. **Principle of minimization and maximization:** In negotiating one will always wait to get the most for the least, all things being equal.
- c. **Principle of secondary consequences:** This has it that often there are secondary consequences to be considered when you are negotiating, especially in a situation where you will need to interact with that person again sometime in the future. This necessitates the relevance of futuristic considerations in negotiations. Thus the result should be both short term and long term focused.
- d. **Principle of ceding for good:** Do not be hasty about conceding, but should be tactically done when the

outcome of the ceding can be more than or equal to the cost.

### 3.2.2. Effective Negotiation Laws:

1. **The Universal Law of Negotiating:** This law has it that everything is negotiable. Organizational life itself is a long and extending negotiating process, with every situation containing elements that could be negotiated to improve the terms and conditions for self and others. So negotiations and renegotiations are common features of organizations.
2. **The Law of Futurity:** This has it that the purpose of a negotiation is to enter into an agreement such that both parties have their needs satisfied and are motivated to fulfill their agreements and enter into further negotiations with the same party in the future. Results of today's negotiations are not to be eating all up at a sitting; but tomorrow matters, especially bearing in mind that the organization is a going concern.
3. **The Law of Win-win or no deal:** In a successful negotiation, both parties should be fully satisfied with the result and feel that they have each 'won' or no deal should be made at all. Mutual benefit should be the most desired outcome of every negotiation.
4. **The Law of Unlimited Possibilities:** That you can always get a better deal if you know how. This is the baseline for the sermon on the acquisition and utilization of best skills / techniques and the possession of the powers needed to excel in negotiating (as shall be presented later in this paper). But proper home work is a plus.
5. **The Law of Four:** That there are four main issues to be decided upon in any negotiation; everything else is dependent on these. According to Tracy (2002), 80% or more of the content of the negotiation will revolve around those four issues, while, of the four main issues, one will be the main issue and three will be secondary issues.
6. **The Law of Timing:** This states that timing is everything in a negotiation. The more urgent the need, the less effective the negotiation. Also, the person who allows to be rushed will get the worst of the bargain, while about 80% of the vital issues are usually resolved in the last 20% of the time available for the negotiation. Thus set deadlines for the other party and try and avoid deadlines for yourself when possible.
7. **The Law of Terms:** The terms of payment or settlement can be more important than the price or award in a negotiation. You can agree to almost any price if you can decide the terms. Better deals could be gotten by controlling either the price or the terms.
8. **The Law of Anticipation:** 80% or more of your success in any negotiation will be determined by how you prepared in advance. Facts are everything, do a good home work, check your assumptions, think on paper and consult when possible.
9. **The Law of Authority:** You can negotiate successfully only with a person who has the authority to approve the terms and conditions you agree upon. Find out in advance who can have the final say before negotiating otherwise fern powerlessness.
10. **The Law of Reversal:** Putting yourself in the situation of the other person enables you to prepare and negotiate more effectively. Simulate the situation.
11. **The Law of Greater Power:** The person with the greater power, real or imagined will get the better deal in any negotiations. Recognizing both your power and that of the other party is critical in negotiating. The greater the power, the better.
12. **The Law of Desire:** The person who most wants the negotiation to succeed has the least bargaining power. Always appear neutral, no matter your level of desire; but the greater the desire of the other party, the better for you.
13. **The Law of Reciprocity:** People have a deep subconscious need to reciprocate for anything that is done to or for them. This applies most when concession is at stake. The first to make concession wants the deal the most; concession should breed greater concession, and small concessions should be made to enable large concessions; on large issues.
14. **The Walk Away Law:** You never know the final price and terms until you get up and walk away. Note: walking out of a negotiation is just another way of negotiating.
15. **The Law of Finality:** No negotiation is ever final. Use zero-based thinking on a regular basis by asking yourself, 'if I could negotiate this arrangement over again, could I agree to the same terms'? Review your current situation and always provide for re-negotiation terms in the agreement.

### 3.3 Effective Negotiating Powers:

People will not negotiate with you unless they feel you have the power to help them or hurt them in some way. In negotiation you can often create the perception of power, of being able to help or hinder a person in some way, with boldness and creativity.

There are ten different types of power that one can develop and use, in negotiation either individually or

together, to influence and persuade the other party. The more important the issue to be negotiated, the more time you should take to consider how you can use one or more of these elements of power to strengthen yourself and your position. The laws are:

1. **The Power of Indifference:** Any party that appears most indifferent to whether or not the negotiation succeeds often has power over the other party, if that person wants the negotiation to succeed more than the first party. Always appear slightly detached and indifferent in a negotiation, as though you don't really care one way or the other.
2. **The Power of Scarcity:** This is the ability to suggest or imply that your item of negotiation is not in abundant supply but scarce. The more scarce your skills, items etc the higher your bargaining stance.
3. **The Power of Authority:** This is the power in one's position, thus creating an intimidating tendency on the other person thus enabling your getting better deals. It is the power to intimidate.
4. **The Power of Courage:** You create courage by being willing to take risks, by speaking out clearly and forcefully and by being willing to either put yourself on the line for this deal or walk away from it. It is the power to stand up to your demands courageously.
5. **The Power of Commitment:** This is the ability to be so deeply involved to the success of a deal so as to finding a way to overcome any obstacles to the agreement.
6. **The Power of Expertise:** This comes from one making it clear that he is extremely well informed on the subject under negotiation; he has the needed skills and experience. More viable in cases of employment negotiation and other contract of services.
7. **The Power of Knowledge of the Needs of the Other:** This is the ability of knowing everything about the other party vis-à-vis the negotiation. It is a function of the length of time spent on information digging.
8. **The Power of Empathy:** This is the ability to share in the emotions of the other, thereby influencing their reactions thereby. Note: Tough-talking negotiators are largely highly empathetic, low-keyed, solution-oriented, and pleasant.
9. **The Power of Rewarding or Punishing:** This is the possession of the capacity to help or hurt the other. This earns the possessor a far more cooperation of the other party.
10. **The Power of Investment:** When there is an evidence of the expenditure of more time, money and other resources in a negotiation, commitment is drawn, as against the situation of lesser investment.

#### 4.0 AVOIDING FAILURES IN NEGOTIATION:

In negotiations especially labour-management bargaining the following can help enhance success by limiting failures in the process.

1. **Personality:** The most common error in the negotiation game lies in a belief that there must be symmetry between personal conduct and negotiation goals: **tough demands =tough persona; soft demands = kinder, gentler persona.** How you do something and what you do are not the same. Iron fists do fit in velvet gloves. Thus personal traits may not reveal the bargaining strength of an individual. Thus it has been said that personality traits have no significant direct effect on either the bargaining process or negotiation outcomes.  
Avoiding personality assumptions will help avoid failures in negotiation.
2. **The Gender Issue:** Are men really better negotiators than women? Often, we tend to assume that in sales negotiations, women are better negotiators than men. Is that really the case? Quite to the contrary, perfect knowledge of the situation is the key to effectiveness, given that all humans are rational and would act in the most prudent and beneficial mode. Avoid that stereotyping and succeed in negotiation.
3. **Culture:** It is on record that cultural differences affect negotiating abilities. So give due cognizance to cultural differences and be a good negotiator by getting best results; and or vice versa.
4. **Backseat Pedaling / Driving:** Talks fail due to extraneous factors / influences and not so much because of the merit or demerit of the talk or skills of the negotiators. Watch out for invisible hands behind the deal and adapt to their workings.
5. **Openness and transparency in information sharing:** Best bargaining process are those with good information and transparent / honest procedures.
6. **Formalization and Delegation:** In situations of power centralization, bargaining fails, and where the management negotiating team is a representative without power to make final decision, the negotiation is as best as not done.

#### 5.0 ENHANCING MUTUAL GAINS IN NEGOTIATION:

There are certain conditions which facilitate the process of collective bargaining in organizations. These are:

1. The presence of a favourable political climate in the organization and an institutional framework that encourages collective bargaining.

2. Recognition of the right of freedom of association and collective bargaining by the management.
3. Presence of a human-faced management team.
4. Presence of a strong and well-developed union of workers and employers.
5. The recognition of unions and their roles at the micro and macro levels of the organization.
6. Presence of goodwill on both sides.
7. Existence of a mutual exchange of information.
8. Willingness to find common interest.
9. Realization of interdependence between and among the parties concerned.
10. Existence of a balance of power between the parties because negotiations between parties with power differences cannot produce fair agreement.
11. When parties exhibit abilities to act in good faith.
12. Where parties have mutual respect for each other.
13. When there is a desire for mutual gain.

## 6.0 THE CONCEPT OF THIRD PARTY NEGOTIATION:

Third party negotiation occurs in situations where direct negotiation between the parties ends either in a stalemate or deadlock thus no positive result was recorded. Thus independent parties get involved in trying to resolve the impasse for the sake of peace and tranquility.

Four basic third party roles in negotiation include mediation, arbitration, conciliation, and consultation.

- a. **Mediation:** This is the act of a third party facilitating a negotiated solution between parties using reasoning, persuasion, and suggestions for alternatives. The third party is known as a mediator; and the overall effectiveness of his action is always fairly impressive.

Mediation will be most effective under moderate levels of conflict and the mediator must be perceived to be neutral, not positional or coercive.

- b. **Arbitration:** This is a third party intervention process but the individual has the authority to dictate the agreement. He is known as the arbitrator. Arbitration could be voluntary (at the instance of the parties' request), or compulsory (that is forced on the parties by law or contract). Note that the power of the arbitrator varies based on the negotiators' rules.

Arbitration is often preferred over mediation because it always results in a settlement; with further grievance occasioned by expressed dissatisfaction being possibly revisited.

- c. **Conciliation:** This is the act of a trusted third party providing informal communication link between the negotiator and the opponent. This is originally traced to Robert Duval (in the Godfather film). The third party is the conciliator; and functions extensively in international, labour, family and community disputes.

Note: In practice, conciliators typically act more as mere communication conduits by engaging in fact finding, interpreting messages, and persuading disputants to develop agreement; they overlap in mediating duties.

- d. **Consultation:** This is the act of impartially attempting to facilitate creative problem solving through communication and analysis, based on acquired conflict management knowledge / skills. A consultant do not settle the issues, but rather improve the relations between the conflicting parties thus given them opportunities and freewill to reach mutual settlement. The purpose is to earn long term building of new and positive perceptions and attitudes between the conflicting parties.

## 7.0. CONCLUSION

Negotiating is a normal and natural part of life; especially organizations. Every individual especially managers owe it as a point of duty to acquire basic skills in it. But as in anything else, the key to excellence in it is to practice at every opportunity, make it a game, adopt the right skills, obey the laws and use the right principles. Always ask for what you want and create or crave for the right environment for good results.

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