

Talking Points for Negotiation Basics: How to Help Yourself and Your Students Reach Your Full Potentials

Slide 1:

Thanks so much for having me back. Today we are going to continue our discussion of negotiation with a focus on basic strategies that will help you (and your students) become more confident negotiators. The material for this presentation was drawn from three books – *Ask for It* by Linda Babcock and Sara Laschever (authors of *Women Don't Ask: Negotiation and the Gender Divide*), *The Negotiation Toolkit: How to Get Exactly What You Want in Any Business or Personal Situation* by Robert J. Volkema, and *Getting to Yes: Negotiating Agreement Without Giving In* by Roger Fisher and William Ury.

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As women, we have to be aware of what is for most of us an inherent reluctance to negotiate. This is the mindset we have to change if we are going to become effective negotiators. We want to go into negotiations feeling strong, confident, and ready to handle both the process and the results of the negotiation and NOT in a panic or ready to give up at the slightest resistance. We also have to feel confident that it is our right and our responsibility to ask for things we want and/or need. Linda and Sara tell of a woman who went with a male colleague to a 5 star hotel for a conference and the next morning the man was describing how beautiful and wonderful everything was. The gal agreed with him but noted that she was disappointed that the rooms didn't contain any white fluffy robes like those you often find at the best hotels. The man just laughed and said, "Of course they have them. I just called down to the front desk and asked for one and they sent it right up." The woman had never even thought to ask – she just accepted the status quo. A few weeks later (keeping with the robe motif) this same woman was at a hotel with her three children. This time there were adult robes but no robes for the children. Her daughter kept asking for a robe and the woman explained that they didn't have robes for children. Finally, she decided to let the front desk settle the argument so she had her daughter call down to the front desk and request child-

sized robes. Fifteen minutes later the robes were delivered to her room. WE HAVE TO LEARN TO ASK. What is the worst that can happen?

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As Herb Cohen who in 1980 wrote the book *You Can Negotiate Anything* said, “If it has been negotiated, you can negotiate it.” This implies that almost everything except for the laws of nature (speed of light, gravity, etc) is negotiable. So you can negotiate salaries, payments, work environments, work responsibilities, work schedules, what you pay for goods you buy, perks that are given when you choose one provider over another, and your role and jobs at home. Basically, if you can imagine negotiating it, it can be done. We have to approach the world from the mindset of “How could I improve this situation?” and then go for it.

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What do I mean by “Think seafood, not vegetables?” Research has shown that men approach negotiations with the attitude that “The world is my oyster. I can have anything I want if I just ask for it.” while women are more likely to take a “You can’t get blood out of a turnip” approach to negotiation. It is important as we begin to use the power of negotiation to aim high. Linda and Sara call it the “giggle test” to ask for as much as you can without giggling (or blushing or stammering or your voice quavering) because you know the request is so out of line.

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It turns out that women are much more comfortable and much more successful when they view negotiation as collaborative problem solving rather than as a competition (which is much more often the male viewpoint). Collaboration involves exploring individual and mutual needs to arrive at win-win solution. It involves:

- Bringing issues or concerns into the open
- Dealing with issues that are important to both parties

- Looking for creative solutions that make both parties winners
- Listening to the other person before you share your view
- Seeking to build trust
- Seeking to satisfy the needs of both parties
- Exchanging information and ideas freely

And it turns out that both parties do not have to go into a negotiation with the understanding that it will be a collaborative process. In most cases, if at least one party opens the process with a sharing of information and a request for the other side to share their needs or concerns, the negotiation will follow the collaborative mode.

It also turns out that women are much more persuasive when they use what is called a “social approach” to negotiation. A study was done in which a script was written for a situation in which a newly trained management intern was negotiating salary and possible end of the year bonus for a job he/she was applying for. Then they had men and women deliver the scripted negotiation and videotaped the segments. In some cases both men and women used a direct/pragmatic approach to the delivery “Here are the facts and the facts determine that this is why I should get the salary and bonus I propose.” While in others each used a “social approach” – smiling, appearing friendly, asking questions that made it clear that the person delivering the argument was concerned about the audience’s needs and interpretations, etc. The videos were shown to audiences and the audiences voted on which presentations were most persuasive. It turned out that the men were judged equally persuasive no matter which presentation style they used, but women were judged much more persuasive when they used the social style of presentation.

What is meant by a social style? Mary Sue Coleman, president of the University of Michigan, describes it as being “relentlessly pleasant.” This does not mean soft pedaling what you want but it does mean choosing your words carefully, using a non-threatening tone of voice, and using nonverbal behaviors that indicate how friendly you are – smiling, making eye contact, using inclusive hand gestures, leaning slightly forward to indicate interest. In addition, a woman should avoid

focusing solely on her goals instead often noting what other side will get out of the negotiation. In addition, you should actively solicit feedback – “I’m eager to hear your thoughts on this.” And use persuasion rather than threats – “Can you help me to ...” Comments should always be framed in positive rather than negative terms. Not – I hate what I am doing. But rather, I’m ready to take on more challenges and better use my skills and talents to serve the organization. In addition, you should always ask questions about their concerns and interests. And always avoid ultimatums.

Is it fair that women have to keep in mind all these additional needs and approaches when negotiating – NO, but since it is currently the case, it is important to be aware of this phenomena so that you can make yourself more likely to get what you want. And, to be honest, the collaborative approach can probably work as well if not better for men too.

It is really helpful for women to think of negotiation as Volkema defines it, “Communication (which women are really good at) between two or more parties to determine the nature of future behavior.” This is a much less threatening description of the negotiation process.

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It is also important to differentiate between negotiation (a broader activity that involves discovery of underlying needs and concerns and often multiple issues and is a collaborative process) and bargaining (the haggling over a fixed issue with the idea that “if you get more, I get less” - for example salary.) According to Fisher and Ury, negotiation is “efficient, improves or at least doesn’t damage relationships between the negotiating parties, and meets the legitimate interests of each of the parties to the extent possible, resolves conflicting interests fairly, is durable, and takes community interests into account.” Bargaining, on the other hand, usually involves taking – and then successively giving up – a series of positions. And people tend to get locked into positions they have taken and argue for their position as a means of saving face. When this happens less attention is paid to meeting the underlying needs of all parties.

When negotiating, you don't want to move too quickly to bargaining because by doing so you greatly limit your options and the creative ways that you can achieve your goal(s).

Do any of you remember Father Guido Sarducci? He was a fictional writer for the rock and roll society pages of a Vatican tabloid. He dressed all in black, wore a broad brimmed hat, sunglasses, had a cigarette always at the ready, and in a strong Italian accent dispensed his personal, quirky views on history and church doctrine. He also did a routine called the Five Minute University. His premise was that when you took university courses, years later you would only remember one main idea – for example from a business course – *supply and demand* or from a Spanish course – “*Como esta used?*” So his suggestion was that you could learn only that basic idea from each course since that was all you were going to remember anyway, and could graduate from FMU in five minutes. Volkema came up with the one thing you would have to learn from a course on negotiation which he calls the “Golden Rule of Negotiation.” “People will not negotiate with you unless they believe you can help them or hurt them.” So it is going to be especially important to be aware of how you can help or can “hurt” the person or group you are negotiating with.

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You've probably heard the saying that in selling property there are only three things that really matter: Location! Location! Location! Well in negotiation there are really only three things that are important: Information! Information! Information!

First you need information about yourself: What do you really want? What exactly are you asking for? Are there really multiple parts to what you want? Are some of your wants more important than others? What would you be willing to do extra or to give up in order to get the thing(s) that are most important to you. It is important to list and prioritize as many of the components of a negotiation as you can so that you are really clear going into a negotiation what exactly it is that you want. For example, in negotiating for a new job, you might include starting salary, starting date, start up money for a lab and graduate assistants, upfront

coverage of travel expenses, timeline for promotion, types of projects you will work on, etc.

Second, you need information that will help you understand why the other side would be willing to negotiate with you. In other words, how can you help or hurt them? What strengths do you bring to the negotiation table? What are some things that the other side wants or needs that you can make happen? What are their circumstances at this time that might make them more open to negotiating with you? Again, list this out and really think about them.

Third, you need information about what you will do if the negotiation doesn't work out the way you hoped. Having a clear understanding of your alternatives helps you go into a negotiation with confidence. We'll talk more about this later.

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There are actually many things you will want to do before starting a negotiation. If you are already employed, these are things that you will want to start learning about from Day 1 so that you will be ready whenever a situation arises that needs to be negotiated.

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In general, you always want to be as familiar as possible with the environment in which you are negotiating because all of these details make a difference in how you craft your proposal and how you respond during the negotiation itself.

The more parties involved, the more needs that have to be met, and the more difficult it can be to craft a resolution that meets everyone's needs.

It is usually a lot less stressful to negotiate with someone who you will never see again because you are not as concerned about maintaining a great relationship. However, usually you are negotiating with someone with whom you have an ongoing relationship and it is important to understand the parameters of that relationship and what is and is not acceptable in the context of the relationship.

You also need to know if the agreement will result in a formal document such as a contract in which all details are lined out or if it is an informal agreement which means you are dependent on the good will of the other party to see that the proposed agreement is carried out. The more informal the agreement, the more essential it is to clearly summarize what is being agreed upon and to determine a timeline that delineates when the agreement will be implemented. Sara and Linda describe a situation in which a woman negotiated with her boss for a raise in pay but did not have a clearly negotiated date for when the raise would start. She had assumed that it would begin with her next paycheck but when no increase appeared in her paycheck for several months, she went back and asked the boss. He did not intend to implement the raise until the start of the new fiscal year. It is important to have a clear understanding of all details.

If you are negotiating for a raise in pay, a new title, or more space, how will it affect the other people with whom you work? Are there going to be hurt or angry feelings? Are others going to want what you now have and go to the boss and ask for similar concessions? Sometimes supervisors are unwilling to give one employee what they are due if they sense it will cause dissent in the workplace.

Be sure you find out WHEN you need to ask for things. Sara and Linda tell of a female employee who had been taking on more responsibilities for several years and felt that she was past due for a raise to cover all the extra work and responsibility. Finally, late in the spring, she went to her boss and asked for the raise. His reply, "I wish I'd know what you wanted earlier. We set the budget and raises and bonuses last month. Come back next year and I will help you get that raise you deserve. Budgets are decided here at Tech earlier in the spring and then tweaked in the summer once final monies are known.

It is often very helpful if you can form an informal, perhaps even a mentoring relationship, with some of the people who are involved in making important decisions in your organization. Working with them on committees or on volunteer activities, interacting with them at sporting or other campus events, keeps you and your abilities in front of them and helps you to develop an understanding of what their concerns and needs are.

And if the agreement is going to be one that sets a precedent, be assured that you will need very strong supportive information on the value of the overall worth to the organization to make it happen. It is hard to change the status quo.

It is also important to know how the negotiation will be conducted. Will it be “open to the public” with the results widely known and the conditions under which a decision was reached available for review by other employees of the organization? Or will the decisions be made behind closed doors with little or no information provided to other employees. The transparency of the process can both help and hurt you. Once again, if concessions are to be given or decisions reached that will cause any kind of rumbling/grumbling among the troops, your request is going to be a hard sell.

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It is really important to understand the “lay of the land” before you go into a negotiation because you can use this information to craft how you present your case. For example, it is important to know how the person with whom you are negotiating see the current situation. If you are asking for money (a raise or use of funds to support travel/research or use of funds in support of a grant application) at a time when your opposite side is concerned about having enough money to survive – you are unlikely to be successful unless you make the case that what your proposing will save money and turn the situation around or bring in much more money.

It is also important to understand how decisions are made in your organization. Can the person to whom you are talking make a decision on his/her own? Do they have to present the request to a committee or a higher authority? If the final decision is to be made farther down the line, then it is important to know how the final decision makers view the situation and what information will be needed by your immediate supervisor if he/she is to make a strong case for your request. Another factor to consider is the timing of your request. Budgets are decided way in advance, left over funds must be spent quickly and by a specific deadline with a short lead time for prioritizing needs and determining what funds are to be spent for. Administrative assistants or others who have been in the system a long time

are great sources of this kind of information – who makes decisions and when decisions are made.

And knowing what's important to your supervisor is an important part of crafting a successful negotiation. If you know his/her interests, concerns, priorities, you can identify ways in which your interests and his/her interests coincide and can craft your proposal so that you can advance both their interests and your interests.

Personal anecdote – Directorship of CEE.

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Sometimes there are opportunities or options or perks available through a company that you may know nothing about unless you look into what is available. Linda and Sara give several examples. In one case a woman worked for a large car rental company for over 20 years before she found out she could be reimbursed for the \$1500 a year she spent in gym costs. Another woman was about to be married and wanted to take her future husband on a nice honeymoon to help him recover from his recent tour of duty in Afghanistan. She knew her company had a business condo in Florida and asked her boss if there was a “company rate” for renting it for her honeymoon. Her boss said, “Wouldn't you rather go to Paris for your honeymoon?” Turned out the company had a condo there too and was willing to let her use it for this special time. Another woman went to the Human Resources department of her organization and was told she could only have 3 weeks paid maternity leave, if she wanted more she had to take vacation days. She asked a group of her female colleagues about the situation and they told her the organization would actually give 12 weeks of paid maternity leave but that her boss had to put in a special request for it. Even in the state of Louisiana, at least up until a couple of years ago, when you travel there are state rates for hotels and food, but if you formally request it on your travel authorization form you can get reimbursed for 25% above those state rates. My office just routinely included that in out travel authorizations to take care of overages.

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Here are some sites where you can get information on the organization you work for. And the amount of information out there is amazing! And if you need help reading and understanding things like SEC reports, annual reports and stock market analysts reports on your company or navigating through some of the more complicated web sites, you can get that kind of information too. Linda and Sara tell of a woman who worked for the federal government as a data analyst. She was one of the more senior people in her division and was right squarely in the middle of the salary range for her grade level. But in the past year she had begun managing a group of junior analysts working on a new data set and she thought she should be earning more – between \$6000 and \$8000 more. She'd never wondered about her boss's budgetary constraints but since her group was working in a new area she decided to look into the federal allocation for her division. To her surprise she discovered that the division's budget had been increased by 11 percent for the upcoming fiscal year. Armed with this information and with her research into the market value of her skills she approached her boss with great confidence and won herself a \$6,750 raise.

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It is essential that before you enter any negotiation you first understand exactly what your alternatives are should you not get what you want. The better your BANTA (Best alternative to a negotiated agreement) is, the more power you have. Some examples: 1) negotiating for new car. If don't get price you want, can keep driving old car (status quo) or go to another dealership or buy a different car. 2) negotiating a salary for a new job you've been offered. If don't get salary you want, stay with current job (status quo) or find a different job or start your own business. 3) negotiating for promotion – stay with current position (status quo) or find another job or start your own business. 4) You want your partner to help with more of the housework, if can't reach agreement. Continue to do most of it (status quo) or hire a housekeeping service, lower your standards for housecleaning, or get another partner.

Your Reservation Value is the lowest value you'd be willing to accept (salary) or the maximum you'd be willing to pay (buying a new car or house). You may actually want to set a narrow range for this value and be sure to do it BEFORE you

get into the negotiation AND make sure your range is based on what your information searches have told you are the going rates.

The Contract Zone is the difference between each negotiator's Reservation Value. For example, if the lowest salary you would accept is \$70,000 and the most they are willing to pay is \$78,000, the contract zone would be \$70,000 to \$78,000. An agreement could be reached anywhere within that zone. Unfortunately, as a negotiator, you won't usually know what the RV of the other negotiator is so you will not be sure of how much they would actually be willing to offer.

Your Target Value is your goal. What you'd really love to have. It is usually much higher than your RV and it is different from what you think you are pretty sure to get. It is what you'd be thrilled to get – what would make you jump up and down and call their mothers or their partners right away.

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The only way to know what you are worth and how to set your RV and TV is to become a Data Detective and do the research. There are many web sites and government publication that will help you know what the average salary is for someone in your profession. Here are just a few. I went on to several of these sites and they are very helpful. On the Bureau of Labor Statistics site I was able to find average salaries for biomedical engineers with BS, MS, and PhD degrees at different locations across the country.

One example given is of Rita who graduated with a master's degree in electrical engineering. She was offered a job with an enormous software development company, that was a leader in the field and employed 55,000. She didn't negotiate her salary and later found that the three other people who were hired for the same position were earning 10-15% more than she was because they had negotiated their offers. Rita was angry and confused. She joined a running club and struck up a friendship with a woman who had worked for Rita's company previously. She told her new friend what had happened and her new friend asked her if she had asked around at all prior to her salary negotiation. Her new friend told her that it was common knowledge around town that the company always started by lowballing

everyone, but if you pushed back, they would pay more. Rita protested that she was new in town and didn't know anyone to ask. The new friend said, sure you did. Isn't there an alumni chapter from your university here? I bet your career services department could have put you in touch with at least a dozen people who had been hired at that level in the last few years. She also told her she could have looked on the web, that everything about the company was reported daily on the web. If Rita had made use of her networks and resources, she would have had the opportunity to negotiate for the best deal for herself and to be treated equally like her peers.

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Another thing that is important when you negotiate a new job that requires a move, is to have a clear understanding of the cost of living in the area to which you are planning to move. The University of Michigan has a very good web site with data from all over the US that will help you compare such things as housing, transportation, food, clothing, medical costs, etc. You can also check the regional cost of living index for the region and can look at the municipality website for property taxes and sales tax information in the town in which you will be living. This can make a huge difference in how much you need to live comfortably in a region.

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And though it is often taboo to ask someone directly what their salary is, you still can get lots of information from individuals you know in your profession. Someone who might be unwilling to tell you their own salary is still often very willing to answer questions such as the following:

Go over questions on slide.

Answering these kinds of questions is seen as providing helpful information and even as serving as a mentor and most people are really willing to do it. Be sure to ask both men and women, because men often are making much more than women in the same position.

Why is it so important to gather this kind of information? Researchers have found that women do much better at assessing what they are worth the more information they have. When they reviewed the starting salaries negotiated by men and women who were entering the workforce after earning their master's degrees from a top-rated business school, they found out that women had accepted salaries that were 6% lower on average than those negotiated by the men. But when they looked at the annual bonuses negotiated by men and women they found that women's were 19% lower on average than men's. The researchers discovered that the starting salary ranges are readily available for many industries and jobs, so women had some idea of what to ask for as a starting salary, but for many industries/jobs there is little or no information about standard bonuses. Without that information, women priced themselves way too low.

In another study, researchers asked people to review college application folders and predict the success of incoming college freshmen. At the end of the experiment, the researchers asked the subjects to pay themselves what they thought their work was worth. In the absence of any information about what they should pay themselves, the men paid themselves 63% more on average than did the women. When the researchers left a list on the reviewers' desks that had 8 names (4 men and 4 women) and listed fictional amounts that they had paid themselves, the men and women paid themselves similar amounts – the average on the list. And it didn't matter if on the fictitious lists the women had paid themselves more than the men or vice versa. In the first instance, women paid themselves less not because they thought their work was inferior or because they thought it was worth less, they paid themselves less because they couldn't accurately assess the value of their work without external input.

It is critical to have accurate information to assure that you are not undervaluing your work.

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Remember your Target Value that we talked about earlier. You'll use the information you have researched to help you set a Target Value that is better than

your BANTA (you wouldn't be negotiating if you didn't think you could do better than your alternatives), that is ambitious (remember you want to jump up and down and call your Mama if you get it), and yet realistic (offering to pay \$10,000 for a \$30,000 car is probably not going to get you very far.)

It is important to set a high target because all the research has shown that there is a direct correlation between your Target Value and what you actually get. The higher your target value, the higher the actual amount that can be negotiated.

AND it is critical to ask for MORE than your Target Value when you start the negotiation. Let's see why.

Slide 19:

Go over how Abby gets much closer to her TV by starting her negotiation request at higher than her TV.

Another example: Marnie looked for a Victorian dining room table for years that would fit in her dining room. When she finally found one she loved it was priced at \$5000 which was \$1000 more than she was prepared to pay. Marnie told the seller that she didn't want to pay more than \$4,000 for the table. The dealer counteroffered with \$4600 and Marnie realized that she shouldn't have given him her maximum price right off the bat because he was expecting to negotiate. Marnie wanted the table so she increased her offer to \$4200 and the dealer came back with a counter offer of \$4300. They were so close that Marnie went ahead and paid the extra \$300 for the table. Now that may not seem like much, but it is 7.5% more than she intended to pay for the table. If you go through life paying 7.5% more for each major purchase, the costs will really add up.

Realize that what we have just been talking about are single issue negotiations or more like positional bargaining. Most true negotiations will take a totally different approach.

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It is important when negotiating that you keep in mind, that it is not about what you NEED but it is about what you are WORTH. And about what you REALLY want out of the negotiation.

Remember that your salary functions as a gauge of your professional progress and an important source of information about your abilities. Employers use applicants Compensation records as one measure of their talent and potential.

For example, Francis completed a master's degree in urban planning and was offered a job at a nonprofit organization dedicated to developing and managing low-income housing. When the executive director of the organization proposed a starting salary of \$48,000 Francis accepted without negotiating. Soon after starting the job, the executive director's secretary came to her office, asked if they could talk and came inside and shut the door. She said, "I probably shouldn't be doing this but" And went on to tell her that the two men who have been hired at the same time as Francis were both making more – a lot more – than Francis was. The secretary urged Francis to go to the executive director and ask for a salary adjustment. Francis wasn't sure because she could live well on the salary she had and it seemed greedy to ask for more from an organization that was all about helping poor people. And maybe the men were more qualified than she was. Even though the secretary told her that was not true – that Francis was more qualified than either of the men – Francis thought about it for a few weeks and decided not to go ask for the salary adjustment. It didn't occur to her that when she applied for her next job, the salary she had accepted at this one would be among the data considered by her future employer.

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To negotiate successfully in ways that will make your life at home and at work better and allow you to be more productive, happier, and healthier you have to truly understand all the reasons why someone would want to negotiate with you. You have to know "What you bring to the table."

All of the following make strong bargaining chips and increase your worth. When crafting a request for a change in your work responsibilities, a promotion, a raise,

more flexible hours, a higher bonus, extra perks utilize all of these as reasons that the person or group you are negotiating with would want to meet your needs and keep you happy.

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You are in an especially strong position if you have a very strong BANTA (another job offer, could retire if you can't make your work situation better, etc). Or if your organization has a very weak BANTA (they would have to hire two people to replace you, they couldn't function without you because you are the one who runs everything, they have a big project that needs doing right now and don't have the time to hire and train a new person).

I know some of you knew Martha Garber who worked for me as an Administrative Assistant. I had a very weak BANTA when it came to Martha. Martha made my life so much easier and made things in my organization run so much smoother that I did everything in my power to keep her happy. She had so much stuff in her head and had so many contacts that I would have been lost without her. She was probably one of the best paid Administrative Assistants on campus, she got time off whenever she needed it, she could set her own schedule – Martha got anything Martha wanted because if she had left my life would have immediately become unbelievably chaotic.

Slide 22-24:

As we mentioned earlier, one of the most important things for women is to change their mindset about negotiation and their own worth. As you look at these statements, what is the main difference between the Don't Think and the Think columns? That's right. In the Think column the women are aiming much higher and are more confident in their statements. Remember what we said earlier – there is a direct correlation between your Target Value (how high you aim) and how much you get. Can you give me an example of one thing that you have dealt with that would go in the Don't Think and Think columns?

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One of the other issues that women have when they negotiate is that they have a tendency to back off at the first sign of resistance so it is really important to commit to your goal and keep in mind why you deserve what you are asking for. It is important to focus on all the positives and resist the temptation to doubt yourself. Can you think of a positive statement about yourself that would confirm why you should get something that would make your life better?

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Employers have a strong incentive for keeping employees happy and with a company because it costs a lot to replace a productive employee. It is estimated that it costs a company between 50 and 150% of a worker's annual salary to replace and retrain her. The US Bureau of Labor Statistics reports that in 2006, median annual earnings were approximately \$35,000. And that 23.1% of the 134 million nonfarm workers in the United States voluntarily quit each year. Using the 50% figure, that means that attrition costs American companies at least \$541 billion a year. For SAS (a large software firm) keeping their turnover rate to just 3% saves the company between \$60 and \$80 million dollars a year. Most software firms, in contrast, let 20% of their workers leave each year.

And then, as a woman at this time, you are in high demand especially since the pool of talented men is shrinking. For many companies the fact that they are losing high numbers of female managers has become a pressing concern. And most of these women are not leaving the workforce to devote more time to their families, they are leaving because they find the organizational culture inhospitable to women or see few opportunities to rise into the ranks of upper management. Given that 57% of entering college freshmen are women, companies are finding that it is imperative to stop the loss of their female employees because there are simply not enough capable men available today to fill all of the managerial jobs. In addition, women have a managerial style that differs from men's (transformational leadership) in the ways they inspire commitment, increase creative thinking, improve morale, and solicit more input – all things that improve the organizations ability to make good decisions about critical issues. Also

research is suggesting that gender diversity at the upper echelons of an organization may increase productivity and profitability.

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So, given negotiation's importance is putting you in a position in which you are being paid what you are worth and are working in job conditions that allow you to be your most productive, it is worth some time to prepare for negotiations so that they will go the way you want them to. Linda and Sara suggest that you find a partner who will help you prepare through role playing. (And this might be your first important step in the negotiation! Why would that person want to serve as your negotiation practice partner? What can you do for them that will make it worth their while? Of what value will the experience be to them?) It is important that the partner understands the context of the negotiation from both your and the other side. And in helping a partner understand both your own and the perceived needs of the people with whom you are negotiating, you will often clarify your understandings and/or determine other things that you have not considered. Once you actually role play the negotiation you should debrief with your partner so that you can determine what went well, other possible responses of the people you are negotiating with, make any changes you think would be beneficial and try it again. And you should repeat this process until you are confident that you can handle the negotiation.

Two other things that researchers have found are important in getting to a good result in a negotiation: the more positive mood you are in going in to a negotiation, the more likely the outcome is to be what you desire. It turns out that if one partner goes into a negotiation in a positive and confident mood, the negotiation is likely to go more smoothly with both sides coming out winners. So listen to your favorite music, go on a run, play with your kids – whatever it is that will make you feel calm, happy, and in control and then go for it! They also did a study in which they asked men and women to rate on a scale of 1-7 how they felt about negotiating. Women, as we've learned, reported that it was more scary, difficult, and even agonizing. The experimenters reran the experiments but this time they asked a new group of participants to recall an experience in which they'd exercised power over another person and had controlled the outcome of the

situation in which both were involved. Then the researchers ask these participants how they felt about negotiation. For the men it didn't seem to make any difference on their feelings about negotiation but for the women, their negative feelings about negotiation dropped dramatically, actually going down to the same levels as those of the men.

So, do what you need to to get yourself into a positive mood and confident about your ability to conduct a negotiation. It will make a difference!

Slide 28:

Ok, now you are prepared, you have your proposal in hand, you know what points are likely to be the most controversial and how you are going to handle any negative responses, so it is finally time to move on to the actual negotiation.

Slide 29:

Remember we talked about the difference between positional bargaining and true negotiation? I'm going to describe two examples of negotiations that demonstrate the process of collaborative negotiation rather than just degenerating into positional bargaining.

In the "two orange" scenario, imagine that it is a very warm, humid day, and you have just come home from exercising. All the way home you are thinking about the juicy oranges you bought yesterday, that are chilling in the refrigerator, and how thirsty you are and how good those oranges will be. But when you enter the house you find that your housemate is in the kitchen making something. It is even warmer in the kitchen because the oven is on. You say hello and head towards the refrigerator. But before you get there, your housemate pulls the last two oranges out and puts them on the counter next to a bowl that has some flour in it. Your immediate response is "Hey, I was going to eat those!"

Now from your housemate's perspective. You (the housemate) are making a cake for a house party that evening and because the theme of the party is "The Tropics" you have decided to make an orange-flavored cake. There are a lot of things to do

before the party and the cake has to cool before you can frost it. The oven is warming up and everything is mixed except for the orange flavoring that needs to be added. You remember that there were 4 oranges in the refrigerator and you're turning to get them when one of your housemates returns. You discover that there are only 2 oranges left, but that should be enough. As you take out the oranges, your housemate declares, "Hey, I was going to eat those."

Now there are lots of ways you could handle the negotiation that would ensue. Both housemates "want" the oranges. But the main difference in having a breakthrough, successful outcomes is to discover the difference in positions and needs. In this case each side has the same position – I want the oranges. But if instead of considering positions, we consider needs what are the needs. To discover the needs we must ask "why" does each housemate want the oranges. Well, housemate number 1 wants the oranges is to quench thirst and replenish body nutrients that have been lost through exercise. Housemate number 2 wants the oranges to give citrus flavoring to the cake. (This leads to another round of why – why citrus flavoring?) One creative solution to the problem is to peel the oranges. Housemate 1 gets the pulp and juice to quench thirst and Housemate 2 uses the shavings from the peel to give a citrus flavor to the cake. Both parties get exactly what they want – a win-win situation. Now you can't reach this agreement unless you know that the peel from the orange can be used to give a citrus flavor to the cake and if you don't understand the needs of each of the negotiating parties. As we've noted before, the more information you have, the more likely you are to have a successful negotiation.

Here's another example of moving from positions to interests. Your neighbor of 4 years is thinking of putting up a fence atop the retaining wall that joins your two properties. You and your neighbors have always gotten along and have never needed a fence before, but the neighbors have 2 children ages 2 and 3 and they are afraid the children might fall off the retaining wall which reaches a height of almost 6 feet at its highest level. You are concerned that a fence will block the sunlight to the plants in that corner of your property and will destroy the view you have from your backyard patio. It would be easy to get locked into positions-fence or no fence. But if you look at the respective interests – safety for the children and an unimpeded view/sunlight for the plants – you can easily reach a

solution of installing a fence that lets light through and doesn't impede the view – something like a 3 or 4 foot high wrought iron fence that still provides safety for the children. Again, if interests are considered, a win-win situation can be reached.

So, as you start any negotiation – it is critical to consider the interests of each of the parties and even to be aware that there are multiple interests and issues at stake because knowledge of interests and other related issues make it much more likely that a win-win solution can be reached.

Slide 30:

Studies that have looked at the behaviors and characteristics of successful negotiators have found that successful negotiators ask lots of questions in an attempt to tease out just what the interests and concerns of the negotiating parties are. And as important as the asking of the questions is, it is equally important that they listen to the answers so that they truly understand what the interests and concerns are. At the same time, effective negotiators offer information about their interests, concerns, and ways in which they see the situation being resolved. In doing this, they are able to identify common goals and interests. Once you have identified where all the parties want to go (for example, both you and your boss want to keep you working for the company, highly productive, and happy in your work environment – then the only question is how can we make that happen).

One of the reasons having multiple issues involved in a negotiation is so important is that it gives you the opportunity to trade things you care less about for things you care more about – for example, in building a house – you might be willing to trade the start time to a little later if the contractor will lower the price.

And throughout the process it is really important to think of you and the other negotiator as partners in solving a problem. This protects the relationships you have and lets you focus on the issues and not simply pick positions and then defend them in an effort not to lose face.

One example that shows how important it is to discuss interest of each of the parties involves a woman named Sheila who was a journalist and spent 4 years as the editor of an alternative weekly aimed at college students and young professionals and then had spent 2 years as a reporter for a Web site devoted to uncovering corruption in the state government. She was excited when she was hired by a big-city daily newspaper because she'd finally broken through to big-time investigative journalism. When she arrived for her first day of work with several ideas for stories already churning around in her head she was dismayed to find that she had been assigned to working in the Style section or now. Now the Style section had always been known as a "soft news" section and focused on things like cooking tips and fashion news and have long been considered a "female ghetto" in the newspaper business so no serious journalist wanted to work there. Sheila was furious but wasn't prepared to walk out on the job on the first day. She called Sara and told her what had happened and Sara suggested that she ask her boss about his underlying interests – in other words, why had he assigned her to the Style section.

So Sheila went in and asked her boss and he explained that the editorial board wanted to "juice up" the Style section with the hope of attracting younger readers. The editors wanted Sheila to target younger readers and make the Style section edgier and more timely. The editorial board wanted a real reporter to take over the Style section (the former editor was retiring), someone who would research and trackdown emerging trends as they were happening. Sheila's background as an investigative reporter and someone in touch with the youth culture made her a perfect choice.

Sheila explained to her boss that although she could see why they had chosen her to accomplish these goals she thought she had been hired to cover hard news and that was really what she wanted to do.

Her editor offered her a compromise - he'd make Sheila the editor of the Style section (quite a good position for a new hire) in return for an 18 month commitment to the section. During that time, Sheila would work with the paper's art director to redesign the section, train others in the section in investigating trends and the youth culture, recruit a stable of good freelance writers whom the paper

could rely on. If she'd do that, he'd hire a deputy Style editor to help Sheila out and once the section was well established, Sheila could turn it over to the deputy editor and move to the news staff.

Sheila was pleased with the compromise and only asked for two things. She asked to meet with the executive editor every 6 months to assess where the sections was going so she could change course if needed so that at the end of 18 months she would have accomplished what the editorial board wanted and she wanted to have a record of the conversation in writing in case the person with whom she was negotiating left before the 18 months were up. Her editor agreed to these two suggestions and told her to send him an e-mail summarizing what they'd discussed and that he would put it in her personnel file.

As you can see – Sheila got the two of them considering their interests by asking questions, listening to the answers, offering information about her interests, and being willing to trade working in the Style section for 18 months for a better title and a promise of working in hard news when the time was up. She and the executive editor worked as partners in solving the negotiation.

Slide 31:

One of the things I found most helpful about Linda and Sara's book is that they give so many examples. Since asking questions is so important in collaborative negotiation, they have multiple examples of the types of questions you could ask in a variety of situations. For example, as you are starting out a negotiation, you want to be sure to identify the other side's interests and share your interests to set the stage for a collaborative process. Here are some examples of questions you could ask to elicit interests.

Go over each question.

Slide 32:

Remember in the Sheila example she had to make some trades to reach a solution that was agreeable to both parties. This practice is called "logrolling" and is a

critical component of a collaborative negotiation. If you have proposed something that the other party is not willing or able to give you, you can ask something like – is there any way I can make it worthwhile for the company to give me what I am asking for. For example, suppose you are asking for a signing bonus because you need to buy a new car (and the company doesn't typically give signing bonuses). Maybe it would help if you started your job earlier than you'd planned. Or maybe they need someone to work at night for three months. Or maybe they need an extra pair of hands to get a crucial project out the door and then you can go on to the job they are hiring you for. Or is there something you could give up that would make it possible for the company to give you the bonus. Could you move yourself and save some of the money the company has allocated to pay travel expenses and could that money be put towards a bonus. Or if you can get health insurance coverage under your spouse's plan, could you waive health insurance from this company and could they put what they would save into a bonus for you. You have to be creative!

You could ask for a better title if you have to take a lower salary that you would really like. Or you could ask for an early promotion in return for taking on a job that others don't want.

It is critical to keep in mind that you must logroll multiple issues at once. You don't want to negotiate each issue separately or you will just find yourself in a series of competitive win/lose situations. If you discuss several issues at once and link them together the process becomes more reciprocal. Always emphasize that you are willing to make a concession on one issue in exchange for something else you want. Be explicit that your offer to give something to the other side is conditional on getting something back.

Slide 33:

In preparing for a negotiation in which multiple issues are or could be at stake it is critical that you plan ahead. You'll want to (at least as much as possible) list all of the issues that are to be negotiated – for example – salary, position title, moving expenses, start time, first assignment, start up funds, signing bonus, company car, flexible schedule, travel funds, funds to support grant proposals, etc.

Then determine what is most important to you and where you are willing to take less than your target value in return for something else. Be sure you have a good understanding of the other side's priorities and think through how you can best mesh what you want with their priorities – know what you are willing to trade. Think of other things that might not start out as formal parts of the negotiation that you would be willing to add to the pot to get something you want and then formally sketch out several different scenarios that might work. Be creative! Think outside the box! Ask questions like – is there anyway I could help save the organization money that would make it possible for me to get this raise? Would it help if I worked a few extra hours a week? Do you need someone to train new recruits? Etc. Always frame your questions in terms of a way to “figure this out together.”

Slide 34:

What if you have a job you like but get another job offer? Is it possible to negotiate a way to stay where you are and get the benefits the other job offers? Sometimes that is a difficult question to approach with a supervisor, but given the costs (as we've noted earlier) of hiring and retraining an employee to replace you, it may be worth your employers time to help make you want to stay. Some of the types of questions you could use to start this conversation include:

Go over questions. Ask why these would be appropriate approaches.

Slide 35:

Another situation that involves salary negotiations occurs when you are applying for a job and they want to know right off the bat what salary you would expect. I've actually had that happen to me and it is hard to deal with if you haven't thought ahead, gathered the information to know what you are worth, and planned how to handle that question. Here are some possible responses.

Go over responses. Ask why these responses are appropriate and what you gain out of giving them.

Slide 36:

Another situation that can arise in a negotiation is that you go in with a request or a proposal and you immediately get a negative response. Sometimes it is really hard to keep your cool when this happens, but it is essential to remain calm and remember that you want to figure out what the other side's interests are.

An example that Linda and Sara give is of Marsha who was offered a job as the vice president of a firm that imported Italian shoes for the American market. She and the president had agreed on her title, her salary, and her responsibilities and her starting date, but the president was resisting her request that he remodel the office she was to occupy which was shabby and dark. The rest of the firm's offices had recently been updated, Marsha would be meeting with distributors and advertising sales representatives in her office, and her position was important. Marsha couldn't understand why the president was resisting her request to update her office. She certainly wasn't going to take the job if he didn't think her position was important enough to merit a decent-looking office. But when she pressed him again he responded very negatively and dismissively. Marsha was considering walking away from the job when it occurred to her that she should ask the president why – that very important word in getting from positions to interests – he was resisting her request – was it a budget thing or something else. The president admitted that his sister was an interior designer and had redone all the other offices but that she had just had a baby and wouldn't be working for a while and he was afraid he would hurt her feelings if he used another interior designer.

Marsha, now that she understood his interests, suggested that she would be willing to wait for the office redo for a year until his sister could get back to work as long as her boss made the commitment to redo her office in a year.

It is critical to keep in mind the importance of unveiling hidden interests if negotiations are to end in a win-win situation.

Slide 37:

Here's another scenario. Suppose you've entered a negotiation, you've stated your position, the other side has made an offer, and you have to make a counter offer. What is your next step? Initially it is critical to make sure you understand exactly what they are offering. Then you will want to identify and make sure you are both clear on what issues you agree on and where the two proposals differ. It is also critical that you make sure you are clear on the other side's priorities so you will have an idea of how to craft your response. You want to make sure your counter offer leaves you a fair amount of wiggle room and the most wiggle room over those issues that you care the most about. It is also important to think about what your concessions mean when making a counter offer. For example, when selling a car, if you list it on Craig's list for \$14,500 and someone offers you \$12,000 and you counter offer with \$14,300 this signals that you are close to your Reservation Value and probably won't drop the price much more. But if you dropped your price to \$13,000 the potential buyer will probably conclude that you overpriced the car initially, are eager to sell, and will probably drop the price lower. Big concessions on a first round of negotiation usually signal a willingness to concede even more while smaller concessions indicate that you hold this particular issue as a high priority and will not be willing to give much more in this area.

Whatever you do you don't want to rush in to making a hurried decision. It is ok to slow down the process by asking for clarification or asking that a minute be taken for reviewing where we are or asking to stop for a minute and make sure everyone is on the same page. You can also ask open ended questions such as "What are your thoughts about what I have just said? Or How do you see the situation?"

It is always ok to ask for some time to consider how you want to respond.

Some phrases you could use:

Can we talk about this tomorrow when I've had some time to consider what you've said.

I'm not sure about the right course of action here. Can you give me a day or two to collect my thoughts?

I see I've surprised you. Why don't we get back to this a little later.

Slide 38:

When you are finally ready to complete the negotiation it is time to summarize the negotiation agreement as you understand it and ask the other party to make any corrections or modifications that they say are necessary.

It is also critical to make sure of the implementation timeline – one woman that Sara and Linda described negotiated a raise with her boss. When the raise didn't show up in her paycheck for several months, she went back to him to ask why. She had assumed the raise would take effect immediately but his plan had been to implement the raise at the start of the new fiscal year. A misunderstanding which cost her substantial income.

Another thing that I have found to be critically important is to ask for a written record of what has been agreed upon. Often I've been negotiating with a potential partner for a proposal that I am writing and it is critical to me that we both be clear on what each has promised to do as a member of the partnership. Because this is so important to me, I always volunteer to summarize the agreement and send it via e-mail for review so that any needed additions, corrections, or clarifications can be made. That way I always have a written record to refer to if the need or any questions ever arise.

Slide 39:

In the book, *Ask for It*, Linda and Sara describe the 6-week Negotiation Gym that they put Linda's female graduate students through. I don't have time to go over this in detail today, but each week has a different focus and builds towards a final critical negotiation. It might be worth doing yourselves or in concert with your graduate students.

Go over weeks.

Thank you. Any questions?

