

# 2

## THE VALUE OF NEGOTIATING

### Getting the Real Deal



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#### LEARNING OBJECTIVES

Upon completion of this chapter, the reader should be able to do the following:

- 2.1 Describe the pros and cons of different views of winning in a negotiation.
- 2.2 Explain the benefits of assessing, reflecting on, reliving, and reviewing a negotiation.
- 2.3 Differentiate between objective terms and subjective feelings that lead to high-quality negotiations.
- 2.4 Explain the importance of mindfulness in negotiation.
- 2.5 Demonstrate approaches you can use to focus on the big picture in preparation for and during successful negotiations.

## INTRODUCTION

Buyer's remorse set in hard for Stephanie. She had been negotiating with a person at the outdoor market to purchase a scarf. The price per scarf was cheaper if she was willing to purchase two, and the matching accessories were an even better deal if she bought them all together. As she walked away, she had a nagging feeling that she really didn't need everything she had just bought. But at the time, Stephanie was focused on all the money she was saving, especially compared to what they would cost at full price! Somehow, her decision process in the moment seemed to get captured by assumptions she held about getting an even better deal, so she negotiated for that and lost sight of what she really wanted. Like Stephanie, many of us have thought we were negotiating a good deal, only to later discover it was *not* so good because it didn't align with our larger priorities or long-term goals.

Life is full of deal making, and we tend to spend more time seeking out opportunities than we realize. However, there is a difference between chasing a deal and getting a real deal. Unfortunately, we've all had the experience of putting a lot of time and effort into negotiating something that turned out to be a waste of time. Skilled negotiators have taken the time in advance to think through what a successful deal looks like. They understand the key characteristics of a high-quality negotiation and are mindful of what is important to them, both with regards to the processes and the outcomes. They pick their battles and focus their negotiations on what matters most in the context of the bigger picture. In other words, they are in it to better themselves, their situations, their companies, their families, and their communities in an intentional way that is compatible with what they really care about and their long-term interests.

In this chapter, we'll focus on getting a real deal, including what reexamining success looks like, assessing your outcomes, identifying the key factors of a high-quality negotiation, being mindful and intentional, and keeping the end goal in mind. Hopefully, these principles will help you avoid wasting time in distracting negotiations or those that result in buyer's remorse.

### RECALL

Let's begin with what you already know about the value of negotiating. Recall some of your assumptions based on your own past experiences and answer the following questions:

1. Think about someone whom you listened to as they bragged about winning in a negotiation. What did they emphasize? What did they seem to really care about?
2. Now contrast the first example with a story about a successful negotiation that was about more than what someone personally won. What is different about how they talked about the other party and the interaction between themselves and others with whom they were negotiating? What did this person seem to really care about? What differences do you see between negotiating in the first example and this one?
3. Think about a time when you were negotiating with someone else and it was more complex than bargaining over a number or a price. What else were you negotiating for?

What did the other party want from you beyond the payment? What was needed from each side for this to be a successful negotiation?

4. This chapter is in part about being mindful as a negotiator. Recall a time when you were being particularly mindful while negotiating. Write down all the things you were focusing on during that negotiation. Contrast that with a time when you recall not being particularly mindful. What was different about your thinking and actions? Based on that contrast, what do you think are characteristics of mindful negotiation?

## WHAT DOES WINNING MEAN TO YOU?

### LEARNING OBJECTIVE

**LO 2.1** Describe the pros and cons of different views of winning in a negotiation.

Have you ever landed such a good deal that you couldn't wait to shout out and tell your friends about it? Have you ever finished a negotiation and walked away worrying that you may have agreed to the worst deal of your life? What does it mean to you to win a negotiation? As it turns out, this is a really important question, since you are going to spend a lot of time and energy negotiating throughout your life.

### Different Views of Winning

For most people, the notion of winning brings to mind sporting contests, images of poker games, or debates and arguments in which one party is deemed to have performed better than the other. These are all win-lose types of scenarios: If you didn't win, you presumably lost. It is not surprising, therefore, that many people instinctively think of negotiation in the same way. While there are competitive elements of some negotiations and times when one person's win is another person's loss, this is not the full picture of negotiation. There are multiple ways to think about winning in the context of negotiation.

Winning is defined based on three different assessments: goal attainment, transaction equity, and competitive winning.

**Goal attainment** is the assessment that you have achieved what you personally aimed for at the outset of a negotiation. It occurs when you end up getting what you hoped for, whether that is all of it or enough of what mattered to you to be happy with the outcome. Your assessment is focused simply on what you walk away with and not on the other party. For example, you might overpay for a new Tesla automobile on the day it is released, but you only care that you got what you wanted when you wanted it. As a negotiator, you are only concerned with getting what you set out to attain.

**Transaction equity**, in contrast, is an assessment of success based on getting a fair deal as you give and take during the negotiation. Transactional winning occurs when you feel that the negotiated outcome was equitable based on what you had to give up compared to what you

gained throughout the negotiation. In the end, you evaluate the negotiation based on whether you got a fair price for what you attained; perhaps you walked away from the negotiation but feel okay about it because you would not have attained what you desired at a fair price. If I negotiate for the purchase of a car, pay a little more for some features, and get some others thrown in as part of the deal, then in the end, we make a deal, each feeling we got a good enough deal and that it was a win on both sides.

Sometimes transaction equity assessments emerge over time after the agreement occurs, such as wondering overnight if you really got a good deal or when someone else tells you they got a better deal. New events that surface may also lead us to reevaluate our transaction equity. For example, if an airplane flight is overbooked and the gate agent offers \$250 cash in return for taking a later flight, I may take that offer and think it is a good deal. I may also kick myself when, five minutes later, after still not having gotten enough people to accept their offer, the airline incentive now goes up to \$500. That would be a form of transaction equity that leads me to be less satisfied with the offer I accepted.

Transaction equity is related to long-standing concepts of distributive and procedural justice. **Distributive justice** concerns the subjective fairness of outcomes and the distribution of resources among concerned parties (Adams, 1965). **Procedural justice** concerns the perceived fairness of rules and decision processes to arrive at the outcomes (Lind & Tyler, 1988). Transaction equity assessment of negotiations, in the context of distributive justice, implies that each party came away with an outcome they considered to be fair and equitable. In that sense, they both won. In contrast, transaction equity assessment of negotiations, in the context of procedural justice, implies that each party came away satisfied with the process of the negotiation, where the process was considered to be fair and transparent, each side was able to voice wants and concerns, and the process was not biased. Whatever they may have felt about the outcome, they came away feeling satisfied with the process that led to that outcome.

A **competitive winning mindset** is an assessment of success based on believing that you clearly got a better deal than the other party. In this case, it's not enough to simply attain what you wanted nor is it sufficient to attain what seems to be an equitable deal; a competitive win only feels successful when you are confident you got the better deal, even if you didn't get everything you wanted.

There is an inherent risk to this type of negotiation assessment, as it is based on the difference between what you and the other party each achieved or did not achieve in the negotiation. You might have achieved only a fraction of what your goals were but fail to see that, since your focus is only on how much less the other party achieved relative to yourself.

You can start out thinking about goal attainment or transaction equity but slip into a competitive winning mindset in the heat of negotiations. Your approach and behavior can create ill will with the other party, and when both parties slip into a competitive winning mindset, negotiations may fully break down even when an agreement could have been achievable. In later chapters, as we discuss mediation and third-party conflict management, we will see how a competitive winning mindset can quickly degenerate into a scenario in which both sides fail to win what they set out to achieve and only focus on their opponent losing.

A competitive winning mindset can also take on a life of its own, especially when there are multiple parties negotiating for the same thing or multiple sellers seeking to win the business of the same buyer. You have likely seen that comically illustrated in some movie or sitcom as two

people wildly bid against each other for the same thing not because they value the object but because they get caught up in the moment and are determined to outbid the other party. It can be fun to watch from a distance and certainly benefits the seller, but this is probably not the way you would want to find yourself negotiating.

All three types of winning can impact our evaluation of negotiation outcomes. We will cover this in greater detail later in this chapter. Remember, knowing what winning means to you ahead of any particular negotiation will help you stay focused on achieving what matters most.

## REFLECTING ON THE OUTCOME: WAS I SUCCESSFUL?

### LEARNING OBJECTIVE

**LO 2.2** Explain the benefits of assessing, reflecting on, reliving, and reviewing a negotiation.

Before we discuss the benefits of reflecting on, reliving, and reviewing a negotiation, let's briefly review some myths and the reality of learning. How would you respond if you were asked to answer the question, *do we learn more from success or failure?* Some might quickly answer failure, because the pain of failure stays with us and we are motivated to not repeat the experience. Others might respond that we learn more from success, as we want to repeat that experience. According to psychologist David Peterson, (Peterson & Seligman, 2004), it's actually a bit of a trick question as we don't necessarily learn more from success or failure. In fact, we learn more from the experiences we continue to reflect upon, whether they are successful or not. It is the act of breaking down past performance and recognizing the sequences of thought, feeling, and action that led to success or failure that allow us to replicate the behavior or change the pattern. The same insights apply to reliving and reviewing the negotiation experience.

As we grow as negotiators, we can learn from what we have done in the past and from learning about the negotiations of others. This can inform our future interactions and make us more self-aware as negotiators.

### Assessing, Reflecting, Reliving, and Reviewing

Negotiations can be fun, but they can also be exhausting and emotionally draining—not only during the negotiation. Once you've finalized a deal, you may find yourself not only *assessing* whether you won or got enough but also *reflecting on, reliving, and reviewing* in your mind how things went. You may remember with a smile when you said the right thing at the right time and it turned things around for you. You may also remember with a grimace something you wish you never had said or something you forgot to say. The *reflect, relive, and review* phase is especially poignant after an intense negotiation in which you had a lot of skin in the game.

Assessing whether you got a good deal is similar to a post-game sports review, only you are both the player and the commentator. You've surely watched the post-game pundits pick apart

the plays of the game. They may criticize mistakes and expound on what should have been done or what they would have done in hindsight. They may also celebrate a fantastic decision, an unbelievably adept move, or a surprising triumph. Just like the post-game pundits, you'll inevitably start asking yourself after the final handshake, "How did I do? Could I have done better?"

Consider a high-stakes negotiation in which the United States Department of Justice (DOJ) sued Apple and five major U.S. publishers for colluding to raise the prices of e-books. Three of the publishers settled the suit; two others and Apple were unwilling to settle. Initially, the six publishers had negotiated a new business model for e-book pricing with Apple as it prepared to launch the iPad. In exchange for a 30% sales commission, Apple would let the publishers set their own prices for e-books. For the publishers, this pricing model appeared to be a vast improvement on their wholesaling arrangement with Amazon. After at least one of the publishers threatened to delay release of its digital editions, Amazon reluctantly replaced its flat \$9.99 price for e-books with Apple's model, and prices rose industry-wide to about \$14.99 on average. The DOJ's lawsuit suggests that the negotiators and attorneys involved may have neglected to thoroughly analyze whether their agreement would truly create value for consumers—and thus whether it fell within the parameters of U.S. antitrust law. In the flush of hammering out a deal that appears to create synergy for everyone involved, negotiators sometimes neglect to consider how their agreement could affect outsiders, an oversight with ethical and legal implications.

In this case, we see how the facts of the story resurface in a post-negotiation assessment of what should have or could have been done. In almost every negotiation, large or small, there is a desire to know whether the negotiation was a good one.

What then makes a high-quality negotiation? How can we know if we have made a good deal? In many situations, we may be left wondering. Fortunately, there are ways to think about the quality of a negotiation. Once emotions and euphoria or disappointment have settled, it's a good idea to evaluate how you negotiated and how well you negotiated, where you excelled and where you could have done better. Table 2.1 is a simple reflection sheet to capture and review your experience.

**TABLE 2.1 ■ Capturing Your Negotiation Reflections**

<i>Briefly Describe the Negotiation Situation.</i>					
<i>Stage of Negotiation</i>	<i>What Did I</i>			<i>Self-Evaluation: What</i>	
	<i>Think</i>	<i>Feel</i>	<i>Do</i>	<i>Worked Well</i>	<i>Could Have Worked Better</i>
<i>While preparing to negotiate</i>					
<i>Early in negotiations</i>					
<i>Deep into negotiations</i>					
<i>At the close or if we ended without agreement</i>					
<i>Immediately afterward</i>					

## WHAT MAKES A HIGH-QUALITY NEGOTIATION?

### LEARNING OBJECTIVE

**LO 2.3** Differentiate between objective terms and subjective feelings that lead to high-quality negotiations.

There are a few key factors that typically apply when evaluating the quality of a negotiation. One way to determine if you have landed an overall good deal or engaged in a high-quality negotiation is to consider two important factors:

1. the tangible or objective terms of an agreement, both economic and noneconomic, and
2. the intangible or subjective feelings of those involved in working toward an agreement, which we refer to as *heartfelt success*.

In any negotiated agreement, there can be tangible and intangible elements. The tangible elements, such as a price paid for an exchange of goods, are also referred to as *objective* terms of the agreement. We use the terms *tangible* and *objective* interchangeably. The intangible or subjective aspects of the agreement concern feelings, relationships, and overall assessments of the exchange. We also use the terms *intangible* and *subjective* interchangeably.

### Tangible and Objective Terms of an Agreement

In every agreement, each party walks away with what they hope is a clear understanding of the various points to which they agreed. These points are called the *terms of agreement*. They can be verbal or written, but they are the nuts and bolts of what constitutes the components of the agreement. The terms of the agreement will resolve the various issues on the table. In many cases, the main issue is **negotiated price** or the exchange that can be valued against some price: “I will give you *X* dollars in exchange for your used car.” That, however, is only part of the agreement; typically, there will be some **objective terms of agreement**, such as to have the worn tires replaced or that I will pay you 50% now and 50% one month from now. The less explicit we are in setting the terms of agreement, the more likely it is that we may disagree over time after the negotiation is achieved.

To illustrate: Suppose I agree to pay you \$100 to clean my apartment at the end of the semester. The first term of agreement is the price. The next term of agreement would include the details of what constitutes you cleaning my apartment. You can imagine how this goes if we each have a very different idea of what constitutes *clean*. Now imagine how this goes if my getting a \$500 security deposit depends on what the landlord considers a clean apartment!

In some cases, there is an exchange but not an actual price or translation into prices. The terms of agreement may include a second common issue having to do with the terms relating to the goods or services that will be provided for the given price.

**TABLE 2.2 ■ Elements of an Economically Successful Negotiation**

<i>Element of Negotiation</i>	<i>How This Element May Be Displayed</i>
<b>Negotiated Price</b>	One of the most basic terms of agreement in a negotiation is price. What amount of money am I willing to pay to buy something? What amount of money am I willing to accept to sell something? You and I might even have a different calculus of how we value something to assess a price on it. However, you can consider your negotiation a success if you were able to agree on a price rather than walk away from the deal.
<b>Objective Terms of Agreement</b>	In some agreements, there is only one issue: price. But in most negotiations, there are multiple issues on the table. These issues can be objective terms within the agreement. Common terms of agreement in an exchange of goods include the amount of product, time of delivery, warranties, and so on. Common terms of agreement in an exchange of services include specifications of the expected outcome of service, scheduling, billing structure, termination clauses, and so on. Each of these has some value for the parties involved and often impact the negotiated price.

Other objective terms of an agreement may include the issues on the table during a new job negotiation: location, salary, benefits, signing bonus, vacation time, work expectations, stock options, and so on. All of these are the typical things we think about that result from a negotiation.

Most of these terms can be categorized within an economic success framework. The following questions may be asked with regard to the quality of the negotiation:

- From an economic perspective, did you meet your monetary goals given the other rationale choices available?
- Did you accept an inferior contract that you cannot justify after the fact?
- Did you make a deal based on your best interests from a financial point of view?

If you can answer “Yes” to the questions about economic success, then you can be confident that from an economic success perspective, you engaged in a high-quality negotiation, made a good deal, and came to a successful agreement. Table 2.2 highlights the elements that create an economically successful negotiation.

Note that there are also many negotiations that are essentially noneconomic in the exchange and the terms of agreement. Examples include barter, dispute resolution, and political negotiation. In these cases, the parties achieve agreement without explicitly calculating the economic value of the exchange or its components.

Watch two young children on a play date as they barter and trade toys with each other and you are seeing pure noneconomic negotiation. Watch a little longer and you may see the lack of explicit terms of agreement, as one expected that the trade would be only for a few minutes while the other considered the trade to be permanent. If you are a parent or an adult who has supervised children playing together, you know that can quickly end the play date or lead to the need for adult intervention! Patient adults also recognize that young children may use emotional expression as a negotiating tactic. They raise their voice, yell, or display strong emotions when they do not get



what they consider their fair and rightful share. If not rewarded for this behavior, they may simply accommodate the other child and go back to playing with what they already have.

Watch a couple in divorce mediation and you will likely see a shift from economic to noneconomic negotiation and back again. These can be complex situations in which each party may also be using a different calculus of valuation. There will be multiple components of shared property, some having clear economic value while others are more subject to interpretation of value. Some assets will have emotional attachments for one or both parties, further complicating their valuation. Third parties, whether they be attorneys for either side, mediators, or independent appraisers will each have their own ways of assessing economic value relative to sentimental value. How each party feels about the process and the conduct of others involved is all part of the psychology of the negotiation. We will cover these types of negotiations in later chapters but remember that there will often be objective and subjective terms in any agreement. Sometimes a divorce mediation will come to a successful, clear, and mutually supported economic negotiation, but we can readily see how other factors can impact this as well. In a later chapter, as we discuss the topic of mediation as it pertains to negotiation, we will also expand on divorce mediation and negotiations.

Often, it's the subjective factors that determine the extent to which we believe that if we negotiated a good deal. These are the relational and other elements that collectively give rise to our sense of heartfelt success following negotiation.

### Subjective Factors in Evaluating an Agreement

Gaylen Paulson, a negotiation expert, once said that people have different feelings about negotiating. These feelings, positive or negative, are referred to as the **subjective factors of agreement**. Some see negotiation as a chore that has to be done and they approach it with some drudgery. Others see it as a game and love to engage in it. These people can't wait to jump in and let the negotiating games begin. Others see it as a ritual that needs to be performed as one party starts out on the extreme of one side and the other party begins the bargaining on the extreme of the other side. Then begins the required ritual dance of compromising bit by bit until both sides end up somewhere closer to the middle. Finally, others see influence and negotiation as a tool to get what you need as you work with other people. There is some truth in each of these four perspectives. At different times and in different settings, negotiating can be a chore, a game, a ritual, and a tool to create new value together that we couldn't create alone.

Obviously, there is much more to negotiating than simply achieving economic success or the objective terms of an agreement that are typically written into a contract. The other side of negotiation success has to do with the subjective feelings of those involved in working toward an agreement. We think of that as the degree to which you feel heartfelt success.

When we find ourselves wondering if we did a good job negotiating a deal, we will likely think about the monetary results. But most often, we will also evaluate in our minds how we felt about our own performance, how things went interpersonally, and what the other person thinks about us. We may review how creative we were in crafting our agreement or whether we felt the process was fair or a waste of time. Finally, we may wonder if both sides will stick with the deal and actually implement it.

The seven subjective factors of successful agreements appear in Table 2.3.

**TABLE 2.3 ■ Seven Subjective Factors of Successful Agreements**

<i>Subjective Factors</i>	<i>Descriptions of Subjective Factors</i>
1. Personal Success	A successful negotiation includes an evaluation of your own self-satisfaction or the feelings you had about how competent you were with regard to preparation, introduction, articulation, influence, strategy, improvisation, closure, outcome, and so forth.
2. Relational Success	A successful negotiation includes a measure of interpersonal success. As emotions come into play in high-stakes discussions, the relationship may be at risk. In some cases, the relationship may be more important than the deal. A good measure of a high-quality negotiation is when it results in a healthy mutual relationship <i>and</i> an agreement.
3. Reputational Success	A successful negotiation includes a review of the image you left with the other party based on your negotiation style, tactics, and demeanor. Your professional brand is critically important and includes the beliefs and opinions that are held about you. A quality negotiation will preserve your reputation amidst intense bargaining. A high-quality negotiation not only preserves your reputation but also reveals characteristics about you that enhances your reputation.
4. Creative Success	A successful negotiation includes a measure of creativity. Even when you are prepared, a real-time negotiation will require improvisation. Negotiations are most productive when both parties engage their creative juices and new solutions are imagined. One of the most fundamental attributes of a high-quality negotiation is the level of creativity that comes into play to create new options and new potential value that didn't previously exist.
5. Efficiency Success	A successful negotiation, like many other satisfactory endeavors in life, will have some modicum of efficiency. While time is not the most important factor in a high-quality negotiation, it can become a significant issue if not kept in check. A wise negotiator will be able to recognize nonproductive tangents and skillfully turn them around toward more salient issues. Being efficient is achieving maximum productivity with minimum wasted effort or expense. A high-quality negotiation will produce a good outcome in an efficient manner. While efficiency can be objectively measured in terms of elapsed time or eliminating time-consuming elements of negotiation, it is still a subjective assessment of whether one is satisfied with the level of efficiency achieved.
6. Procedural Success	A successful negotiation includes a positive assessment by stakeholders that the processes were fair. Procedural fairness occurs when there is a perception that the procedures were just and impartial. When people feel the process was fair, they are much more likely to accept the outcome. It often provides an opportunity for key stakeholders to provide input. A high-quality negotiation will provide for procedural justice utilizing the principles of open discussion and advance notice to all parties.
7. Durability Success	A successful negotiation includes an estimation of how durable, stable, or solid the agreement is. Even though you have an agreement, do you trust that the other party is committed to following through on the deal and will act in good faith? Do you feel the other party has the capacity and competence to do what they said they would do? A high-quality negotiation will be made between parties that fully understand the expectations, that are worthy of your trust, and that have the capacity to deliver on what they've promised.

These factors address success beyond economic factors or terms of agreement and are important to achieving a high-quality deal. The next time you complete a negotiation, you may want to evaluate how well you did relative to these seven subjective heartfelt factors of successful agreements. Not all will be equally important or even relevant in every negotiation, but the ones that are will either cause your heart to rise or fall as you reflect on your experience. For that reason, a seasoned negotiator may develop a habit of mentally checking off which factors were achieved and to what extent. The following section describes the seven subjective factors of successful negotiators that result in a high-quality negotiation.

### Subjective Factor #1: Personal Success

A review of a high-quality negotiation will always include how you felt about your own personal performance. It's an evaluation of self-satisfaction or feelings you had about how competent you were. Did you feel prepared? How did the introductions go? Were you able to adequately express yourself, including your concerns and aspirations? Did you bring up the right information at the right time? Were you able to influence the other party and were you persuasive? Did you successfully do what you needed to do to close the deal? How did you do at the conclusion of the negotiation? What would you have done differently if you had a chance to repeat the negotiation? All of these questions focus on how well you think you did personally toward building agreement.

For example, a student named Tiara decided to talk with her professor about a low grade she received on a paper. While she didn't get all the points she was hoping for, she did feel satisfied that she was able to adequately express herself and share her most important concerns. In the end, she felt personally satisfied about her decision to talk with her professor. For a negotiation to be successful, you need to feel fairly good about your own personal performance.

### Subjective Factor #2: Relational Success

A high-quality negotiation always includes a relational factor. In any communication, there are two important goals: (1) communicate the information accurately and (2) build rather than damage the relationship. Negotiation is merely a form of communication, but it is usually surrounded by more intense feelings since important outcomes are at stake. In this higher-intensity communication, there is a greater chance that emotions will come into play and that relationships may be at risk. Negotiators need to be mindful of the interpersonal aspects and manage them carefully. Sometimes it may be important to give in on some issues to preserve the relationship. That is, you might ask yourself if it is worth it to win the battle if you will hurt the relationship and jeopardize winning the war later. In many cases, the relationship may be more important than the deal. A quality negotiation will preserve the relationship amidst intense bargaining. A good measure of a high-quality negotiation is when it results in an agreement and when it preserves an important relationship.

For example, when Tiara talked with her professor about her paper, she also felt good about the fact that it did not affect her relationship with her professor. In their meeting, she not only did a good job of expressing herself but she also felt good about listening more intently and better understanding exactly what her professor wanted. Because of this, she felt the negative feelings she had had about her professor subsided and their relationship had improved.

### Subjective Factor #3: Reputational Success

A review of a high-quality negotiation should include an evaluation of the image you left with the other party based on your negotiation style, tactics, and demeanor. This is particularly important when (a) there is some likelihood you will be negotiating with the same party or organization again in the future or (b) when social media or word-of-mouth judgments or referrals may affect your reputation. A social media post following a negotiation can be all it takes to impact your reputation for good or bad.

You are no doubt aware of brands that are used in marketing to convey product reputation. Similarly, you also have a professional brand or reputation that precedes you. Your professional brand is critically important to your success. When you interact with people, what kind of impression do you leave? How you interact with others affects your reputation.

An intense negotiation may reveal things about you—your concerns, interests, aspirations, fears, and character. Some people remain highly consistent under increased demand and stress, but others change quite a bit. Those changes may or may not be helpful. If you are not mindful of your thoughts, emotions, and subsequent behaviors, you can impact your reputation in negative ways.

After a negotiation, you may want to consider the image or brand you conveyed about who you are as a professional and as a person. Your reputation includes the beliefs and opinions that are held about you. A quality negotiation will preserve your reputation amidst intense bargaining. A good measure of a high-quality negotiation is when it not only results in preserving your reputation but also reveals characteristics about you that enhance your reputation.

### Subjective Factor #4: Creative Success

A high-quality negotiation will include a measure of creativity. No matter how prepared you are and no matter how scripted you hope to be, when you engage in a negotiation, you will likely need to become an improvisation artist. Things will come up that you hadn't anticipated, and you will have to use your creativity to help you move the negotiation forward. In fact, improvisation becomes most productive when both parties engage their creative juices. This is when new solutions are developed on the fly and occurs when previous positions on both sides are set aside for a moment to consider developing new ideas together. We have all heard the old adage, "Two heads are better than one." There is a lot of truth in this, so it shouldn't be surprising to consider that the process of negotiation is actually a process of creative problem solving. One of the most fundamental attributes of a high-quality negotiation is the level of creativity that comes into play to create new options, new solutions, and new potential value to the propositions that didn't previously exist. The creation of something new that integrates the creative minds of both sides is a critical measure of a high-quality negotiation.

For example, when Tiara and her professor discussed a concern about a submitted paper, they decided on a completely different plan of action from the ones each initially brought to the table. Both felt good about how their discussion had generated a new alternative that neither had considered beforehand.

### Subjective Factor #5: Efficiency Success

A high-quality negotiation, like many other satisfactory endeavors in life, will have some modicum of efficiency. There is always an opportunity cost associated with how we use our time. We can spend the weekend hammering out the terms of a deal or we can settle quickly so we can get home to family or other pursuits. A negotiation that comes together quickly is almost always viewed more favorably than one that drags on, especially when the outcomes end up the same.

Some negotiation tactics include delaying to secure a better deal. In some situations, that may seem like a savvy approach; in other situations (and in some cultures) that can erode trust, creating a new set of challenges for coming to an agreement. To further complicate the picture, there are also situations and cultures where excessive focus on efficiency may be construed as a lack of commitment to securing a truly durable agreement.

While time is not the most important factor in a high-quality negotiation, it can become a significant issue if not kept in check. While juggling all the other factors that you need to be concerned about, it is a good idea to keep an eye on the efficiency of the process. A wise negotiator will be able to recognize nonproductive tangents. A diplomatic negotiator will be able to skillfully turn tangent discussions around and direct them toward more salient issues at hand. Being efficient is achieving maximum productivity with minimum wasted effort or expense. You will want to be cognizant of moving forward in an organized and competent manner. A quality negotiation will produce a good outcome for both parties. A high-quality negotiation will produce a good outcome in an efficient manner. This requires guidance by a wise, diplomatic, and skilled negotiator.

### Subjective Factor #6: Procedural Success

One of the most important factors in any agreement is procedural success with a focus on procedural fairness and justice. If a person is unhappy with an outcome, they will likely complain about the process. Procedural justice is a consideration of the fairness of procedures and processes in a negotiation. Procedural success occurs when there is a perception of fairness and justice. Importantly, when people feel the process was fair, they are much more likely to accept the outcome. In any negotiation, it is critically important to think about how you will set up fair procedures and come to an agreement on what this looks like before you even begin. A common mistake that invokes people to question the procedures is when people who care deeply about the subject do not feel they've had a chance to express themselves or that they haven't been heard.

For example, when an elected legislator debates various bills with other legislators during committee meetings, the public is invited to make comments. In these types of situations, you will want to provide an opportunity for all key stakeholders to provide input. Fortunately, there are formal procedures for negotiating a bill that are agreed upon before the discussions begin. Similarly, in any negotiation, you will want to think through the process you will use a priori, otherwise you may be setting yourself up for defeat from the beginning.

The timing of when you share information is another important component. You may want to talk with those affected by the negotiation beforehand. A governor known for being skilled

in building agreement and consensus once said, “Before you make a public announcement, you need to think about who you should inform in private. People do not like to be surprised” (Leavitt, 1998). *When* to tell people is just as important as *who* you tell. Giving others a heads-up on a proposal before it goes public promotes a feeling of inclusion and encourages buy-in. A high-quality negotiation will give ample consideration to process success, utilizing the principles of opportunity for input and advance notice. Some of the processes to ensure procedural success may occur well before the main negotiation.

### Subjective Factor #7: Durability Success

Finally, a review of a high-quality negotiation should include an evaluation of how durable, stable, or solid the agreement is. This focuses on how you feel about the other party’s commitment to enacting the deal. The question is this: *Will the other party follow through if we come to an agreement?*

A sense for the commitment of the other side is different from ensuring all provisions are included in a contract. You will feel better about the success of the negotiation if you have evidence that you can trust the other party even after the contract is signed. Do you have a feeling that the other party will act in good faith? A contract can never include enough pages to anticipate every possible scenario in which one party might cheat the other—especially if there is a propensity to do so. There are many reasons why a deal might not be durable and might break down before it is fully enacted. Does the other party have the ability and willingness to enact the agreement? Durability is the quality something has to withstand damage and be resistant to pressures. A quality negotiation will have a good written contract. A high-quality negotiation will be made between parties that fully understand the expectations, that are worthy of trust, and that have the capacity and willingness to deliver on what they’ve promised.

## MINDFUL NEGOTIATING

### LEARNING OBJECTIVE

**LO 2.4** Explain the importance of mindfulness in negotiation.

**Mindfulness** is the practice of purposely bringing one’s attention to experiences occurring in the present moment without judgment (Kabat-Zinn, 1994). Skilled and successful negotiators are mindful: mindful of themselves, mindful of the party or parties with whom they are negotiating, and mindful of the larger process around which negotiation occurs. Ellen Langer (1989), author of several books on mindfulness, describes this as moving beyond categories, being in the present, paying attention to novelty, and drawing distinctions. In this sense, mindfulness isn’t merely about being calm or Zen-like; it is about being open to discovery, both what is outside yourself and what is internal. It enables you to attend to thought and emotion without letting it capture and dominate your sustained attention. Sharon Salzberg (2011) likens a meditative state to when you look up and see clouds moving across a blue sky. Your thoughts are like

the clouds; rather than get consumed by following the clouds, you allow them to pass by and focus on the blue sky. As you increase your ability to do so, you free yourself from the tyranny of thoughts and the need to track your own thoughts, which also frees you from the internal dialogue you have about those fleeting thoughts. Mindful negotiators recognize when they are following the clouds (or specific negotiation components) but also when they are focusing on the blue sky (the broader picture). How you choose to apply mindfulness for yourself and as you negotiate is up to you.

## The Subtle Art of Negotiation

We refer to negotiation as a subtle art. It can be *subtle* in the way we position the process or structure an offer such that others are not even aware of our underlying agenda or negotiation tactics. Negotiation can be an *art* because it is often improvisational and tailored by the people involved, even when they have the same core knowledge of negotiation principles and tactics. The subtle art of negotiation is itself a mindful set of actions and is just as mindful in the way it can also be explicit and planful. **Mindful negotiation** is the practice of purposely bringing one's attention to experiences occurring in the present moment without judgment.

Whether subtle or explicit, negotiation is a mindful pursuit, and there are five components to mindful negotiation: awareness, experience, options, priorities, and action planning. Each component is an opportunity for being mindful as we negotiate. Table 2.4 illustrates the type of questions you might ask yourself in each component.

Interestingly enough, we may do all of the above without ever speaking to the other party, even without looking them in the eye. Driving on the road, negotiating lane change, or turning can evoke all of the above. We have all seen two drivers playing a game of chicken on the road, seeing who can get ahead or hold a lane over the other. Often our best alternative is as straightforward as letting the other driver go, making sure you live to drive another day . . . and perhaps saluting them with a few choice words or displays of how you really feel. Once again, the subtle art of negotiating with others while driving is an experience most of us can relate to, especially if you have tried navigating the streets and avenues of New York City!

Before turning from this section, take a few moments to see how you can apply Table 2.4 to a recent experience of your own. Using Table 2.5, pause to reflect on a prior negotiation experience and capture your mindful experience.

**TABLE 2.4 ■ Components of Mindful Negotiation**

<i>Component of Mindful Negotiation</i>	<i>Questions to Ask of Yourself and Others</i>
<i>Awareness</i>	<ul style="list-style-type: none"> <li>● Do I want something from another party?</li> <li>● Do they want something from me?</li> <li>● How likely is this to be an easy exchange versus a more elaborate negotiation?</li> <li>● Am I even aware that I am contemplating negotiating with another party or are my thoughts elsewhere?</li> </ul>

*(Continued)*

<b>TABLE 2.4 ■ Components of Mindful Negotiation (Continued)</b>	
<i>Component of Mindful Negotiation</i>	<i>Questions to Ask of Yourself and Others</i>
<i>Experience</i>	<ul style="list-style-type: none"> <li>• How well is the other party listening and engaging in the discussion?</li> <li>• What does their behavior tell me?</li> <li>• How well do I know and trust the other party?</li> <li>• Should I be candid and lead with my best offer?</li> <li>• Is my trust level increasing or decreasing?</li> <li>• Does this seem more like collaboration, competition, or accommodation?</li> <li>• How patient am I?</li> <li>• Do they seem willing to work through differences?</li> </ul>
<i>Options</i>	<ul style="list-style-type: none"> <li>• Am I clear on my alternative path if no agreement is reached?</li> <li>• Do I want to hold firm, make some concessions, make a counteroffer, or escalate differences to show my resolve?</li> </ul>
<i>Priorities</i>	<ul style="list-style-type: none"> <li>• In the grand scheme of my life and priorities, how important are these issues and this negotiation?</li> <li>• What would it mean for me to give in, concede, come to agreement, win, or win without the other party necessarily being satisfied with the outcome?</li> </ul>
<i>Action Planning</i>	<ul style="list-style-type: none"> <li>• What is my next step?</li> <li>• What do I anticipate as my potential actions after that?</li> <li>• What am I waiting for or watching for the other party to do?</li> </ul>

<b>TABLE 2.5 ■ Mindful Reflection of a Past Negotiation</b>	
<i>Briefly Describe the Prior Negotiation Situation.</i>	
<i>Component</i>	<i>Questions You Ask Yourself Using Table 2.4</i>
<i>Awareness: What was my focus of awareness before and during the negotiation opportunity?</i>	
<i>Experience: What did I seem to be doing during the negotiation and how does that match the experience I was having?</i>	
<i>Options: What options were coming to mind or to what extent was I focused on the lack of options as I was negotiating?</i>	
<i>Priorities: To what extent did I remain mindful of my true priorities (the blue sky) versus getting consumed in specific points and arguments (the clouds)?</i>	
<i>Action planning: To what extent was I intentionally focused on next steps versus trying to close on the moment and exit the negotiation?</i>	



## How Good Intentions Go Astray

Have you ever been riding on an elevator, deep in thought, and gotten off when the elevator stopped only to find that you got off on the wrong floor? We realize that we were so focused on one thing that we lost sight of what was immediately happening around us, almost acting on autopilot. The same can happen to us in the midst of negotiations: We may start out with a clear objective and then a counteroffer comes back communicated in a way that we find uncomfortable or a provision of the initial offer that was important to us is omitted from the counteroffer. As a consequence, we get sidetracked by the behavior of the other party, getting lost in some internal dialogue as we wonder about their intentions and whether they can be trusted now or over time. We may jump to some conclusion, perhaps vaguely recalling some past incident with another party that we don't want to repeat in this negotiation. All of a sudden, we shift gears, take the hard line, or find ourselves trying to put the other party on the defensive, as if that will ensure we regain the upper hand. Negotiations don't have to evolve this way, but you can easily imagine how they do. As you negotiate, you may be juggling so many elements in your mind that you, like the distracted elevator rider, emerge someplace you didn't originally intend to end up.

As you negotiate, something may trigger thoughts and actions that you hadn't planned to employ in your approach. You may suddenly become mentally consumed that time is running out (at least compared to what you initially anticipated to make a good deal) or you become alarmed that the other party isn't demonstrating the give-and-take you expected and now begin to privately wonder if they are trustworthy, if you will be able to ensure your interests, or if an agreement will be respected over time or you simply worry that you are being taken advantage of by the other party. These and any number of other concerns can lead to a sudden shift in your negotiating tactics from a win-win approach to a sense that it has to be win-lose or that you have to now add on demands you don't really care about, merely so you have things to give up. Of course, when both parties begin to employ such tactics, productive negotiations seldom occur.

The positive alternative is to understand ourselves better, to know what expectations we have, and to know what triggers our internal thoughts and external behaviors. You want to understand how you tend to shift gears under stress and high demand: How does your inner dialogue change? What thoughts, feelings, or concerns begin to cloud your mind? Does it become harder to concentrate? Do you become indecisive when faced with too many options or do you get the urge to get things settled so you can move on? Are you able to pay attention to what captures your attention?

As an illustration, imagine we choose to label our internal experience as, "I'm an introvert and a methodical thinker, so I prefer extra time to review offers and prepare counteroffers." That might lead me to establish a process from the beginning that allows more time for me to review each offer. It's even more helpful to develop a deeper understanding of how our thoughts and emotions can shift. In the prior example, you might discover that in addition to the labels you give yourself—introvert and methodical thinker—you know that when you don't have the time you need, your thoughts get clouded, or you begin to suspect the other person is trying to put something past you and you begin to distrust their integrity. You might even go as far as to

calibrate your experience along a 10-point scale. For example, “I’m fine with the pacing of offers and counteroffers and would rate it a 2–3. Now it has sped up a bit, and I’d rate it a 5; I’m still okay, but I’m at the upper level of my comfort zone. Suddenly, I’ve been asked to make a quick decision and it feels like an 8–9 to me. I’m now wondering if I can trust this person or start to worry if I do my best at this pace.” If you had been tracking your level of comfort/discomfort with the pace of negotiations, you might recognize when to slow things down or tell the other party you appreciate the offer/counteroffer and want to take a few minutes to give it full consideration. This tactic emerges purely from knowing yourself and what you need to negotiate at your best.

As an example, Omar (an American businessperson) and a companion were vacationing in Antwerp, Belgium, and negotiating the purchase of earrings at a jewelry store. Since Omar had been living in London for several years, he was negotiating back and forth with the jewelry seller, sometimes in Euros and sometimes in British Pounds, and Omar was comfortable since he knew the exchange rate. His companion, who was also American, wanted to help close the deal and offered some additional U.S. currency to come to an agreement since they had that on hand; the other party jumped at the offer. Mentally juggling the equivalencies of three currencies was more than Omar could command at the moment; so, he shifted from a precise calculation to hoping it was close. He wasn’t prepared to admit that he couldn’t do the math as quickly as the vendor, and they seemed to have suddenly come to a deal. In retrospect, it wasn’t a terrible deal, and they got the object they wanted; however, Omar didn’t walk away with the sense of transaction equity that he was trying to achieve. Had he been prepared to slow down the negotiations at that point, perhaps his evaluation of the outcome might have been different, but at that time, he was caught up in a shift in negotiations for which he didn’t know how to adapt.

That example is one where the stakes weren’t particularly high; the downside of intentions going astray was slightly economical while momentarily damaging to Omar’s ego of being a superior negotiator. When there is more at stake—jobs, careers, relationships, people who are depending on us to secure their future conditions—that is when emotions can run high and fast. Fear, anxiety, loss aversion, anger, and a host of other emotions can lead us to shift from a well-thought-out plan to an emotionally driven negotiation.

Effective negotiators cultivate self-insight and discover tactics to ensure their intentions override their temperament. They may even cultivate and adopt some framework to help them observe (or size up) the other party and look for signals of when the other party is shifting to a more emotionally driven approach. Some use that insight to maintain an edge in their negotiating tactics; others keep an eye on the big picture of getting to an agreement and use these insights for the purpose of ongoing relationship building or to recognize where the other party is themselves challenged by some aspect of the negotiation.

As a first step, next time you are negotiating, even for something small, pay attention to what captures your attention. Next, notice if your focus and attention shift and how. Either in the moment or afterward, reflect on any feelings that you had or that might have been emerging. Can you calibrate how strongly you felt those emotions or assess some shift in the strength of what you were focusing on? In later chapters, we will share more on personality as well as brain behavior and how this can impact the way you find yourself negotiating.

Learn to be mindful as a negotiator, discover how you think and feel in the midst of offers and counteroffers, and devise tactics that work for you, and you won't find yourself stepping off at the wrong floor of the negotiation elevator! Chapter 3 covers how to prepare for mindful negotiation.

## THE BIG PICTURE: NEGOTIATING WITH THE END IN MIND

### LEARNING OBJECTIVE

**LO 2.5** Demonstrate approaches you can use to focus on the big picture in preparation for and during successful negotiations.

Whether you are a beginner or have had extensive experience in negotiations, you may feel some trepidation as you approach the bargaining table. In this section, we'll discuss negotiations in the context of the big picture and describe what is most important in the end. This will help you focus on the things you should be concerned about and hopefully free you from worrying about issues that are not that big of a deal when all is said and done. By focusing on what matters most, you'll gain more confidence that the efforts you put into negotiating are worthwhile.

### The First Step: Seeing the Big Picture

In one of the most influential business books of all time, *The Seven Habits of Highly Effective People*, Stephen R. Covey (2004) shows us that in any successful endeavor, you must begin with the big picture—what he calls “beginning with the end in mind.” Before we can negotiate anything of worth, we must first see it in our minds. We imagine what might be possible and then we go out and try to make it happen. This is not only true in negotiations but also in the big picture of our lives.

Seeing the end result in our imagination is the first step in creating it. We envision first in our minds what we can't physically see in reality. For example, an artist sees a sunrise over the ocean and begins to paint. A computer programmer envisions a new pathway and begins to code. A movie director has a new idea for the final scene and begins to film. An account manager sees an opportunity to make big money and begins to cultivate a new client. In each of these scenarios, an idea is imagined first and then comes the action. We create a vision in our mind's eye, and with that vision, we go out and try to create the reality. Before you can engage in a successful negotiation, you have to be able to envision what you want it to look like in the end. So, what does “beginning with the end in mind” specifically have to do with negotiations?

First, if you don't have a clear idea of the end goal, you will be unsure of how you want your negotiation to turn out. Lewis Carroll's classic novel, *Alice's Adventures in Wonderland*, illustrates this point best. When the main character, Alice, comes to a crossroads, she is not sure which path to take. It becomes quite troubling to her. As she thinks about this dilemma, she asks the Cheshire Cat, “Which path shall I follow?” The cat answers, “That depends where you

want to go. If you do not know where you want to go, it doesn't matter which path you take." The answer is obvious: Alice needs to clarify her ultimate objective and that will help her determine which path is best. Beginning with the end in mind, or beginning with a clear goal, is an important starting point in creating a successful negotiation.

Second, beginning with the end in mind is also important because it can help you avoid investing in negotiations that may not be the best use of your time. The goal is not to simply be busy negotiating. The goal is not even to be efficiently negotiating. Your objective is to prioritize what's most important. You will want to be selective in choosing when and with whom to negotiate so you don't end up wasting your energy and efforts.

For example, Lucas took his car into the shop to get an oil change and his tires realigned. When he went to pay the bill, it was higher than he expected and he realized there had been a misunderstanding about the price. He was late for another appointment and the cost was only \$25 more than he thought it should be. But he wondered if he was partly at fault regarding the misunderstanding. In this case, Lucas decided it wasn't worth his time and hassle to negotiate the price and paid the bill.

On the other hand, when Lucas arrived at his appointment with his boss, he realized that she had changed an assignment that was critical to his career growth. In this case, Lucas decided it was well worth negotiating with her to see if he could continue to play a part in the assignment that had been promised to him.

### Focusing on What Matters Most

Doing things adeptly is good, but doing things that matter is better. If you are efficiently putting energy into a negotiation that isn't going to give you a good return on your investment, then why are you negotiating in the first place? You don't want to spend your life in faulty causes and then become efficient in unimportant things. In other words, you don't want to pride yourself in climbing a ladder if it is leaning against the wrong wall. If you have to be busy, at least be busy with things that are important to you. The question becomes, *Which negotiations should you really engage in?*

You've heard the saying, "It's better to work smarter than harder." Keeping the big picture of your life goals in front of you will help you negotiate smarter. You can use these big-picture goals as a guide to remind you of why you're negotiating. A big-picture vision of your goals will keep you focused on negotiating for things that really matter.

## RESEARCH INSIGHTS

In a study of 151 organizations, researchers tried to find the best way to focus attention on the ultimate, big-picture goals (Carton et al., 2014). This is an important question because as we've discussed in this chapter, it is important to begin with the end in mind and remember your ultimate goals to help you determine if it's worth it to negotiate for something in the first place. In order to focus on your ultimate life and career goals, you need to visualize and articulate them so that they become a prominent idea in your head

to guide you. But this is less likely to happen if you can't easily visualize your ultimate goals and have them emotionally in your heart to drive your thoughts and behaviors. So how do we effectively articulate and communicate our ultimate goals to ourselves? We might learn how best to do this by studying how great leaders articulate and communicate ultimate goals to their employees. It turns out, some ways of communicating vision and values are more impactful than others. One of the most impactful ways to communicate your ultimate goal is by painting a compelling picture or telling a story using visual images that you can see in your mind and feel in your heart. Vividly portraying the benefits that will come in the future by achieving your ultimate goals is an effective way to keep those goals at the forefront of your mind so that it will more likely affect your negotiation decisions. The researchers found that depicting visual imagery of a possible future is a successful way to help others share that vision. This might then also be a good way for you to articulate your goals to yourself and thus allow your ultimate goals to guide you as you negotiate and in other endeavors of your life.

### The Urgent versus the Important

One approach to help focus our negotiation efforts on those things that are most meaningful is to consider whether something is important and/or urgent. The model in Figure 2.1 gives examples of how we can contrast the important and urgent with things that are not important nor urgent. It makes sense that these non-important, non-urgent things should be put at the bottom of the priority list. The model also shows those things that are both important and urgent. You would think that these should be put at the top of the priority list. In fact, the place where you want to consider focusing your attention is actually in the quadrant that is important and not urgent. These are the areas that will benefit you as you develop long-term priorities and

**FIGURE 2.1 ■ Urgency and Importance in Negotiated Offers**

		URGENCY	
		High	Low
IMPORTANCE	High	Crisis or emergency Customer service complaints	Developmental or training opportunities Innovating or ideating Planning and preparation
	Low	Email or texts Ringing phone Unscheduled interruptions	Distractions Routines or habits Disagreements and disputes

Source: Whetten, D., & Cameron K. (2016). *Developing management skills* (9th ed.). Pearson.

negotiation skills because they focus on important, big-picture items rather than on running from one crisis to another.

### Envisioning Your Purpose

How do you put negotiations in the context of this bigger picture? It begins with envisioning your purpose. How would you define your mission and goals in life? You must first define what you want to be, what you want to do, and where you want to go. Coaches of elite athletes will tell you they work diligently on helping their athletes envision what success looks like. Do you have an end in mind? How clear is your picture of who you want to be five years from now, a decade from now, or when you are 80 years old?

These kinds of questions are answered when you focus on and clarify your life and career goals. What do you want in the end? What is your personal mission or purpose? What kind of a job are you hoping for? How much money do you want to make? What are your family or social goals? And what about your interests in hobbies, sports, cultural pursuits, or other activities? Is your goal to become famous or rich? Is your goal to get the right job title, an annual salary, or a standing ovation? Is your objective to travel the world, learn new things, or connect with people in a meaningful way? Focusing on your life and career goals will become somewhat of a compass for helping you decide when to negotiate and when to walk away.

Once you decide what you want to do with your life, everything else will naturally flow from there. Every decision, including what you want to negotiate for, will be judged based on this. You create the blueprint first in your head. If you've ever put together a jigsaw puzzle, you know how important it is to be able to see the big picture.

### Your Personal Mission and Strengths

How do you clarify the big picture of what is most meaningful to you? How do you begin with the end in mind so that you can negotiate your way to a future that matters most to you personally? A helpful place to start is by developing a personal mission statement. This is a written articulation that affirms who you want to become. It clarifies the purpose of your life. If you reach deep inside, you know what is most important to you and what you value most. But few of us take the time to write this down and keep it in the forefront of our minds. Ben Franklin wrote down 13 things that he wanted to focus on in his life. These became governing principles for him, and he credits much of his success to the fact that he wrote down his values and devised a system to focus on them throughout his life. Examples of values might include integrity, encouragement, creativity, competence, humility, equity, community, family, gratitude, fairness, continuous improvement, dignity, service, quality, patience, diligence, and trust. Peterson and Seligman (2004) list the following strengths and virtues that could also be examples of values that are important to you (Figure 2.2).

Writing a personal mission statement may mean taking some time to think deeply regarding what you care about. What are your values? What are you passionate about? What makes you great? You may want to include what value you hope to create for the world or what you want people to remember you for. You may want to focus your mission statement on the legacy you want to leave. Table 2.6 presents a few examples of personal mission statements.

**FIGURE 2.2 ■ Character Strengths and Virtues**

<i>Virtue of Wisdom</i>					
Creativity	Curiosity	Judgment	Love of Learning	Perspective	
<i>Virtue of Courage</i>					
Bravery		Perseverance	Honesty		Zest
<i>Virtue of Humanity</i>			<i>Virtue of Justice</i>		
Love	Kindness	Social IQ	Teamwork	Fairness	Leadership
<i>Virtue of Temperance</i>					
Forgiveness		Humility	Prudence	Self-Regulation	
<i>Virtue of Transcendence</i>					

Source: Peterson, C., & Seligman, M. (2004). *Character strengths and virtues: A handbook and classification*. Oxford University Press.

**TABLE 2.6 ■ Examples of Personal Mission Statements**

Oprah Winfrey, talk show host: "To be a teacher. And to be known for inspiring my students to be more than they thought they could be."

Amanda Steinberg, founder of Dailyworth.com: "To use my gifts of intelligence, charisma, and serial optimism to cultivate the self-worth and net worth of women around the world."

Katie Arnold, blogger for *Talk Less, Say More*: "To constantly be striving to be the best version of myself—in my job, with my health and fitness, with my relationships with family and friends, and with my emotional well-being."

Mahatma Gandhi: "Let the first act of every morning be to make the following resolve for the day: I shall not fear anyone on earth, I shall fear only God, I shall not bear ill will toward anyone, I shall not submit to injustice from anyone, I shall conquer untruth by truth, and in resisting untruth, I shall put up with all suffering."

Denise Morrison, CEO of Campbell's Soup Company: "To serve as a leader, live a balanced life, and apply ethical principles to make a significant difference."

In writing your own personal mission statement, a good place to start would be to consider the following phrases:

- I am at my best when . . .
- I will enjoy my work by finding employment where I can . . .
- I will find enjoyment in my personal life through . . .

- I will find opportunities to use my natural talents and gifts, such as . . .
- I can do anything I set my mind to, including . . .
- I will . . .
- My life's journey is . . .
- I will be a person who is . . .
- My most important future contribution to others will be . . .
- I will stop procrastinating and start working on . . .
- I will strive to incorporate the following attributes into my life:
- I will constantly renew myself by focusing on the four dimensions of my life:

Another place to start is to consider your roles, such as student, roommate, parent, employee, volunteer, and so on. These will help you think about the key components you would include in your mission statement. Stephen R. Covey stated that “creating and integrating an empowering personal mission statement is one of the most important investments we can make” (<https://msb.franklincovey.com/>).

Here's how you can connect your personal mission statement with your goal to become a better negotiator. The following list focuses your future negotiation efforts on the big picture of what matters most:

1. mission: What is the big-picture purpose of my life?
2. vision for the next few years and goals for next year
3. areas of opportunity for growth (career, family, friends, service, adventure, innovation, retirement)
4. short list of areas in my life for which I want to negotiate better situations

One place where this four-step approach can be helpful is in the way you negotiate with yourself around work–life balance. Many people struggle with the everyday choice of how much time and focus to put on professional activities, a career, and their job as opposed to family commitments. Layer in desires for exercise, community involvement, hobbies, and time with friends and we will see people negotiating with themselves and those they care most about to create some type of work–life balance. Stewart Friedman, professor at the Wharton School, University of Pennsylvania, has studied this dynamic for decades. In his works (2014, 2018), he has discovered the following: Rather than negotiate with ourselves for work–life balance, we need to discover work–life integration. We do so by knowing what really matters to us (mission and vision) and what areas of work, life, family, and community we want to act upon and then creatively experimenting to discover small ways we can combine two or more aspects. For example, we may find community volunteer events or active exercise that we can do with our family, we may take steps at the office to get more exercise during the day, or we may take a quiet walk at lunch



to find some meditative time. When possible, we may engage with others who become both part of the solution and supportive of our new ways of working and living around them. In a very real sense, this is a win–win negotiation—a creative and improvisational effort—and can be a form of integrative negotiation (which we will cover in detail in Chapter 5).

## Negotiating With Purpose

Beginning with the end in mind is a good first step in successfully negotiating with yourself toward creating and realizing your dreams. When you have a higher purpose, you'll find hidden resources inside of you that you didn't realize you had to become a better negotiator. Highly successful people achieve their dreams in part by visualizing the future and working smart to create that reality. Skillful negotiating along the way is a big part of creating the vision. Becoming skilled at influencing others and negotiating agreements is extremely important to helping you create the ultimate outcomes for your life and career.

These skills are also important because they empower you, your work team, and your organization to find creative ways to move forward when you may otherwise find yourself in conflict, frustrated, and stuck. The negotiating skills you learn will help you navigate working through differences at your job, in your community, with your friends and associates, and within your families. We trust that as you learn the principles of negotiating, you'll be able to achieve better outcomes for yourself and for those around you. The important thing is this: You are going to learn how to create value for yourself, your company, your community, and your family by building agreements and influencing others. Importantly, you will also increase your ability to help others move toward their end goals as well.

### SUMMARY: CONCEPTS TO TEACH

#### LO 2.1 Describe the pros and cons of different views of winning in a negotiation.

Winning at negotiations can take different forms and it helps to go into a negotiation knowing what it looks like to you. Winning is most often defined based on three different assessments: goal attainment, transaction equity, and competitive winning. Goal attainment is the assessment that you achieved what you personally aimed for at the outset of a negotiation. Transaction equity is an assessment of success based on the give-and-take transactions that led to a feeling of getting a fair price, even if you didn't get everything you had hoped for when you started. Competitive winning is an assessment of success based on believing you clearly got a better deal than the other party. In competitive winning, the objective is to beat the other party, no matter what. While many negotiators have this mindset, it is not necessarily a sustainable approach.

#### LO 2.2 Explain the benefits of assessing, reflecting on, reliving, and reviewing a negotiation.

We best learn from our successes and failures if we take time to consciously reflect upon what happened and how we might do things the same or differently in the

future. We learn more from the experiences we continue to reflect upon, whether they are successful or not. It is the act of breaking down past performance, recognizing sequences of thought, feeling, and action that led to success or failure, that allow us to replicate the behavior or change the pattern. As we grow as negotiators, we can learn from what we have done in the past and from learning about the negotiations of others. You can reflect upon and evaluate what worked well and what could have worked better at each stage of the negotiation, including while preparing, at the beginning/middle/end, and after a negotiation. To get the maximum value from your post-negotiation assessment, reflect upon what you thought, felt, and did at various time frames before, during, and after your negotiation.

**LO 2.3 Differentiate between objective terms and subjective feelings that lead to high-quality negotiations.**

A high-quality negotiation includes both objective terms and subjective feelings. Objective terms include issues such as price, amount of product, time of delivery, warranties, expected outcome of service, scheduling, billing structure, termination clauses, and so on. Subjective terms include seven subjective factors: (1) personal success, (2) relational success, (3) reputational success, (4) creative success, (5) efficiency success, (6) procedural success, and (7) durability success. Both objective and subjective terms play a role in creating a high-quality negotiation.

**LO 2.4 Explain the importance of mindfulness in negotiation.**

One approach to improving the success of negotiations is to cultivate the skill of mindfulness. Thoughtfully consider your negotiation experiences, both internally and externally. Learn what triggers your thoughts and behaviors. In this way, you stay in charge of your negotiating approach as much as possible.

**LO 2.5 Demonstrate approaches you can use to focus on the big picture in preparation for and during successful negotiations.**

Negotiating with the end in mind means knowing what really matters to you and what you value most. Negotiating with your big-picture life and career goals in mind can help you decide if a negotiation is even worth doing. While you may rarely think about your life's ambition as you negotiate, having spent some time doing this work will make it easier for you to pause and separate out what matters most. Many offers and counteroffers during negotiations are complex combinations of must-haves, wants, and tactical requests. If you lose sight of which is which, you may find yourself getting caught up in the moment, walking away from a valuable deal, shifting to a mindset that doesn't further your long-term objectives, or unwittingly agreeing to things that don't really matter in the long run.

## APPLICATION EXERCISES

Apply what you've learned by engaging in the following application exercises: self-assessment, application activities, everyday negotiations, negotiation challenge, and discussion questions.

**Self-Assessment: Being Clear About Negotiation Success**

This self-assessment will increase your awareness of how your ultimate goals can guide you in deciding when to negotiate, when not to negotiate, and what to focus on before, during, and after you negotiate. Aligning your aspirations, thoughts, and behaviors with your ultimate goals can help reduce wasted effort and increase the likelihood of creating value that is more meaningful to you. There are no correct scores as this is an assessment of you. The self-assessment is most helpful if you answer each question candidly.

## Rating Scale

Below are several statements with which you may agree or disagree. Please rate each of them on the following scale:

6 = Strongly Agree

5 = Agree

4 = Slightly Agree

3 = Slightly Disagree

2 = Disagree

1 = Strongly Disagree

**LO 2.1:** *Different Views of Winning*

When I negotiate, I always make sure that I . . .

- \_\_\_ 1. clarify what winning means to me.
- \_\_\_ 2. clarify my ultimate goal in my own mind.
- \_\_\_ 3. focus on attaining my ultimate goal.
- \_\_\_ 4. clarify how I want the give-and-take to go in my own mind.
- \_\_\_ 5. focus on getting a fair price, even if I don't get everything I wanted.
- \_\_\_ 6. focus on creating a win for all sides rather than beating the other party no matter what.

**LO 2.2:** *Learning from Past Negotiations*

After I negotiate, I always make sure that I take time to reflect upon . . .

- \_\_\_ 7. what I did well to prepare for the negotiation.
- \_\_\_ 8. what I could have done better to prepare for the negotiation.
- \_\_\_ 9. what I did well at the beginning of the negotiation.
- \_\_\_ 10. what I could have done better at the beginning of the negotiation.
- \_\_\_ 11. what I did well during the main part of the negotiation.
- \_\_\_ 12. what I could have done better during the main part of the negotiation.
- \_\_\_ 13. what I did well to close the deal at the end of the negotiation.
- \_\_\_ 14. what I could have done better to close the deal at the end of the negotiation.

**LO 2.3:** *Objective and Subjective Attributes of High-Quality Negotiations*

When I negotiate, I always make sure that I . . .

- \_\_\_ 15. get a good price.
- \_\_\_ 16. get the maximum amount of product, service, or value possible.
- \_\_\_ 17. get detailed agreement around time of delivery, billing structure, and warranties.
- \_\_\_ 18. feel satisfied that I did my personal best (personal success).
- \_\_\_ 19. feel satisfied that I treated the other party well and built a good relationship (relational success).
- \_\_\_ 20. feel satisfied that I enhanced my reputation as a person of integrity and good character (reputational success).
- \_\_\_ 21. feel satisfied that I was highly creative in coming up with new ideas and solutions (creative success).
- \_\_\_ 22. feel satisfied that I didn't waste a lot of time unnecessarily and was efficient in getting to an agreement (efficiency success).
- \_\_\_ 23. feel satisfied that everyone felt the process and procedures of the negotiation were fair and just (procedural success).
- \_\_\_ 24. feel satisfied I can trust that the agreement will be carried out properly and completed (durability).

**LO 2.4:** *Negotiation Mindfulness*

When I negotiate, I remain conscientiously mindful of . . .

- \_\_\_ 25. my thoughts and feelings.
- \_\_\_ 26. what I'm experiencing both internally and externally.
- \_\_\_ 27. what triggers my thoughts and behaviors.
- \_\_\_ 28. not getting consumed by specific points and arguments.
- \_\_\_ 29. my larger, true priorities.

**LO 2.5:** *Aligning Negotiation Efforts with Big-Picture Life and Career Goals*

Before and/or during a negotiation, I always make sure that I . . .

- \_\_\_ 30. remember my goals to determine if I even want to engage in a particular negotiation in the first place.
- \_\_\_ 31. don't get caught up in the excitement of the moment and agree to something that is not aligned with my goals.
- \_\_\_ 32. am willing to walk away from any deal that does not align with my values.
- \_\_\_ 33. identify approaches that will help me begin with the big-picture end goals in mind.

**Analyzing Your Self-Assessment Results.**

*Overall Rating of Being Clear about Negotiation Success.* Once you have completed the self-assessment, you can analyze your scores both specifically and overall. To analyze your overall results, add your scores and divide the sum by 33. This will result in your overall average score. If your score is 0–3.9, then you have room for improvement in understanding, clarifying, and

being mindful of the various factors affecting winning and negotiation success. If your average score is 4.0–5.5, then you are doing well in this area, but you can always improve. If your score is 5.6–6.0, then you have a high degree of skill in this area.

\_\_\_\_\_ Total of All Scores

33 Total Number of Question Items

\_\_\_\_\_ Total Sum/33 = Overall Average Score

0.0–3.9: Potential Room for Improvement

4.0–5.5: Doing Well

5.6–6.0: High Degree of Skill

*Specific Ratings of Being Clear About Negotiation Success.* To analyze your specific scores, note each item where you scored 0–5 and ask yourself what you might do differently to improve in that area. Then note each specific item where you rated yourself as a 6 and congratulate yourself in those areas. Items that received a rating of 6 are areas of strength; you may want to focus them to help you clarify what winning means to you.

### Application Activities

To reinforce your learning, complete one or more of the exercises below.

1. Distinguish three different views of winning: How might your behavior in purchasing a new car at an auto dealership look differently when based on goal attainment, transaction equity, or seeking a competitive win?
2. Demonstrate your understanding of objective terms of agreement: Imagine you make extra income by having a snow shoveling business in the winter. What might be the terms of agreement that your customers want from you and you from them? How might the desired terms of agreement differ for the homeowner who has many steps leading up to their home and they potentially have to leave the house early on any given day?
3. Distinguish economic from noneconomic terms of agreement. What might be some noneconomic terms of agreement among roommates in a dorm?
4. Think about a recent negotiation you were involved in. Describe three or four of the subjective factors of subjective evaluation that capture the degree of success you did or did not feel after the negotiation was concluded.
5. Practice paying attention to what captures your attention for the next day or two. What do you notice? How easy or difficult was it to remain mindful of your attention? What surprised you about events or interactions that seemed to capture or hijack your attention?
6. Focus on the really big picture: What is your personal mission and vision of yourself? What do you want to negotiate for that furthers your aspirations?

7. Think of a person who knows you very well, who cares about your success, and who you trust. Now consider the strengths listed in Figure 2.2. Which of these strengths would the trusted person say you exhibit most? How might you use your strengths in a negotiation?

### Everyday Negotiation: Reframing Your Mindset

Anna, a university professor, also earns income via consulting and speaking engagements. Corporate Learning & Potential (CLP) is a startup business that provides targeted forums, bringing together chief learning officers, heads of talent management, thought leaders, and cutting-edge book authors. CLP approached Anna about being both a speaker and helping facilitate their events throughout the year.

Enthusied by the idea, Anna suggested they offer her a retainer as similar firms have done and in return, she would speak at the next event for expenses only. An offer came in, but it was considerably lower than she expected. She hadn't shared her initial expectations, since she assumed CLP would at least be on par with other leading companies hosting similar types of events and hoped they might offer more. On top of that, the next conference event was at an inconvenient location. Inflaming the issue a bit more, what CLP offered as a quarterly retainer fee was approximately what Anna commanded for a single speech! She felt offended by the offer but called a colleague first to explore options before getting back to CLP.

Here is what was suggested: First, rather than be offended by their offer, Anna should consider the possibility that CLP as a startup is not informed about what she and others at her level command in speaking fees nor have they fully benchmarked what retainer fees might realistically be. She should offer a polite thank you for their continued interest and let them know that her annual retainer fee is three times what they offered, which is comparable to what their competitors pay for such services. She would be willing to explore a partnership at a similar retainer rate. Also, if they are not yet prepared to move forward on an annual retainer, Anna can offer them the option of simply booking her for their next conference at her normal speaking rate. She should invite them to speak with her about what they aspire to become and how she can be part of that.

In addition, Anna was offered some ideas on how to be more mindful as she speaks with CLP: First, know that as a startup, they may be cash constrained, hence the lower offer is about them as a business rather than how much they do or don't value her services. Second, one option is to be willing to speak at their event, waiving 30% of her normal speaking rate for this first collaboration with them, provided they also provide business-class airfare (since the inconvenient location is an issue for her). Remember, she is waiving part of her fee as a one-time offer, knowing it is a chance to get in front of key decision makers in the audience who may either recommend her for future speaking events or follow up with her for their own company needs. Anna should, at the same time, reframe in her own mind that this can be thought of as a paid business development trip, not merely delivery of her premium speaking services.

After speaking with her colleague, Anna now felt she had a wider range of options to explore with CLP. She had an initial counteroffer to share with them, a backup plan in addition to that, and a few ideas on how to feel better about the opportunity beyond the immediate potential for income.

Choose an answer to the following questions:

1. Anna's initial reaction to an offer that was below what she expected was to feel offended. What led to her reaction?
  - A. She assumed CLP would offer at least what other companies in the same line of business offer.
  - B. She hadn't set expectations of what would be an appropriate range of compensation for her services.
  - C. She thought they didn't properly value her services and was offended by that.
  - D. She thought they were looking to take advantage of her by offering so little.
2. The counteroffer suggested several possibilities. What did this allow Anna to do?
  - A. Continue the dialogue rather than cut off negotiations.
  - B. Reset expectations of what she wanted if she is to work with CLP.
  - C. Offer a second option to CLP if they wanted to work with her but couldn't commit to a retainer at the level she expected.
  - D. Educate them as to what their competition offered, so they can understand what it means to be in the same game as leading providers of such services.
3. The final set of advice for Anna was to help her reframe her mindset for these negotiations. What mindful advice did Anna receive?
  - A. Don't let an emotional reaction rule your response to the offer.
  - B. Don't think of the other party the way you do established providers of similar services; you have the opportunity to shape their thinking, understand their business concerns as a startup, and explore additional options on both sides.
  - C. You can choose to waive a portion of your fee in return for something else (clarifying this as a one-time action and getting business-class airfare), if this is something you still want to do.
  - D. You can think of the speaking event as a business development opportunity, not merely as delivery of your services.

For each of the three questions, answers A, B, C, and D are all correct. The real question is whether you are ready to open your mind to negotiation opportunities, to recognize where emotional reactions can lead you astray, and to creatively explore how to get what you really want.

Table 2.1 provides a reflection sheet for capturing the negotiation experience. Think of a time when your negotiation took quite a bit of effort. Reflect on that time and complete the table below. Review with a partner and as you finish your summary, ask them to add to what they think worked well and what else you could have done better.

Capturing Your Negotiation Reflections					
<i>Briefly Describe the Negotiation Situation.</i>					
<i>Stage of Negotiation</i>	<i>What Did I</i>			<i>Self-Evaluation: What</i>	
	<i>Think</i>	<i>Feel</i>	<i>Do</i>	<i>Worked Well</i>	<i>Could Have Worked Better</i>
<i>While preparing to negotiate</i>					
<i>Early in negotiations</i>					
<i>Deep into negotiations</i>					
<i>At the close or if we ended without agreement</i>					
<i>Immediately afterward</i>					

### Negotiation Challenge

*Be mindful as you negotiate; capture the moment.*

Negotiations often happen fast; we feel some urgency, get caught up in the moment, and strive for closure. That also means there isn't as much time as you may wish to think about the negotiation. Some people go in with a preplanned strategy and others wing it. In this negotiation challenge, you have an opportunity to slow down the pace of a negotiation and increase awareness of your own self and others as you negotiate. The slower pacing allows you to capture and record reflections.

For simplicity, go back to the same object of negotiation that you used at the end of Chapter 1—negotiating over paper clips (or a pencil or an apple or anything nearby). With each offer, counteroffer, question, or statement about the opportunity to negotiate, take a moment and write an answer to one or more of the questions below. It may only take 30 seconds to make notes on a few of these actions, but as you continue, you will find you need a minute or two to make notes. That also means that in 10–15 minutes, you might still be very early into your negotiation. The value is to capture your respective thoughts and feelings as they emerge, then compare with your partner what you each notice as you become increasingly mindful about negotiations.

1. What do I observe about myself, right now, as I make an offer or respond to one? (thoughts, feelings, even tenseness someplace in my body)
2. Where is my focus of attention? (on the object of the negotiation, how I might use it in the future, on the parity of the exchange, on other things beside the content of the offer)
3. How much attention do I pay to my partner and what is the focus on that? (focused on my partner and the exchange versus focused on the object or some combination; when



focus is on my negotiation partner, it is on their features/voice/feelings/style/likability/other feature)

4. How am I embracing logic and/or emotion? (logic—focus on calculations around the offer, assessing related offers; emotion—feel excited/engaged with the negotiation or not, attending to my own or to my partner’s emotions)
5. To what extent am I focused on keeping score? (Am I thinking about who is winning the negotiation or is more likely to win or am I monitoring who has more creative ideas?)

### Discussion Questions

- 2.1 Describe the pros and cons of different views of winning in a negotiation.
- 2.2 Explain the benefits of assessing, reflecting, reliving, and reviewing after a negotiation.
- 2.3 Differentiate between objective terms and subjective feelings that lead to high-quality negotiations.
- 2.4 Explain the importance of mindfulness in negotiation.
- 2.5 Demonstrate approaches you can use to create the big picture in preparation for successful negotiations.

### KEY TERMS

Competitive winning mindset  
 Distributive justice  
 Goal attainment  
 Mindful negotiation  
 Mindfulness

Negotiated price  
 Objective terms of agreement  
 Procedural justice  
 Subjective factors of agreement  
 Transaction equity

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