

NEGOTIATION SKILLS – EXPERIENCE VERSUS TRAINING

Many people believe that learning takes place instinctively through experience. This article, by Paul Meaney and Paul Hazell, discusses how training employees in negotiation skills can be far more cost effective than relying on “real world” experiences alone.....



Paul Meaney is the founder of a European network of consultants who specialise in sales and negotiating skills training. Irish born, he gained most of his experience while working for 25 years in South Africa. Since then he has worked around the world and his experience includes the areas of labour and commercial negotiations. He lives in Spain and is a Senior Associate with PITHON Limited.



Paul Hazell is a Training and Business Change Consultant. He is a Director of PITHON Ltd and a member of faculty with prominent organisations including Manchester Business School, Management Centre Europe and Erasmus University Rotterdam. Paul has worked across Europe, as well as in the Middle and Far East, Australia, Africa and USA. He has been training negotiators at all levels of seniority across a wide range of industries and cultures since the early 1990s

Negotiators Become Effective Through Experience... Or Is There More To It Than That?

... “We don’t have time to prepare—that’s a luxury we can’t afford.”

... “I don’t need a course to learn how to negotiate, I’ve been doing it for 25 years!”

... “In the real world, you learn from experience...”

These are typical examples of the kind of statements often heard from people who have to negotiate in their day-to-day working lives but have never received formal training. They often believe that learning takes place instinctively through experience. As a consequence of this belief, they tend to take a seat-of-the-pants approach, relying on their “real world” experiences as a substitute for training.

To some extent they are right. There certainly is much to be learnt from the practical experience of negotiating. It is however, potentially an extremely expensive way of developing skills. This article points out some of the ways in which very experienced negotiators sometimes pay a very high price for their lack of training.

Negotiating In The “Real World”

The key to it all is that we each have our own view of the “real world”. Try for yourself. The next time you’re watching a film or play on TV with your family or friends, turn off the TV during a commercial break and get your fellow TV watchers to note down how they feel about the situation the characters are in, who’s right, who’s wrong, what they should do next, etc. You may be surprised at some of the different ways that others see the same scenario! In negotiation, you have to try to see the “real world” as others see it. That takes skill. That kind of skill tends not to come naturally!

The fact is, there is a big difference between having a hundred experiences and having one experience a hundred times – we believe that there is much that can affect how useful that experience is. Learning only takes place from experience when the experience is structured to allow learning to happen. You need a learning structure to bring out the potential learning from each experience. When you have properly structured learning experiences, you will get to see the real world as it really is rather than just as you see it! This will differentiate the effective negotiator from the ineffective.

Can You Spot The Negotiation?

Learning from experience can be effective if certain conditions are met. From dealing with thousands of executives and managers in companies from a range of industries in European countries we have noted that to learn from their negotiating experience:

- People need to realise when they are in a potential negotiation situation and when they are having a negotiating experience – we find that about 80% of the time they are unaware that they are in such a situation – they not only miss the opportunity to learn, they also fail to get the best available outcome from the encounter! This can happen from the chance meeting in a corridor, to the subtle extraction of concessions/commitments during corporate entertainment and deliberate vagaries of language used in certain business cultures.
- People must recognise that not all negotiations are signposted as such. Many a negotiation takes place with at least one of the negotiators unaware that they have significantly conceded their position to another party.
- People must ensure that the learning experience is completed. Often, there is no structured “before” and “after” to the negotiation, so learning does not take place.

Learning How To Learn

There is a learning process. Those who have studied the techniques of learning may well be familiar with the KOLB model. Alternatively, you may have a personal preference for a different theory or model. What we can see from learning theory is that there is very much more to learning than experience alone. Learning takes place when we reflect on our experience in an informed and structured way in order to conceptualise how we will adapt our behaviour the next time an experience presents itself. That process is flawed if there is no opportunity to reflect, no skilled feedback, no planned adaptation of behaviour or if the experience passes completely unnoticed!

In the real world, effective negotiators regularly seek structured debrief feedback and discussion with trained colleagues. From such debriefs, they adapt and develop the successful aspects of their behaviour and positively learn to avoid the distracters in their style.



Do You Know Your Negotiating Style?

This brings us to styles – how many negotiators appreciate that there are measurable, identifiable styles of behaviours associated with negotiators? That some negotiators regularly lose out on the potential value on the table because of aspects of their style which prevent them ascertaining what the opportunities are? That many other negotiators actively but subconsciously discourage suppliers, customers, colleagues from wanting to co-operate? They would never do it deliberately, of course, it's simply that they don't realise the effect they have on others. Typically, they leave the meeting blaming the other party.

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In properly structured training simulations, even the most experienced and senior negotiators are often amazed to discover during reviews how much they missed of what took place at the table while they were sitting at it! They also frequently gain insight into the behaviours they use which discourage co-operation. They find not only weaknesses but also strengths and skills that they had not recognised before. This is why observed, videoed practice should be built into negotiations training wherever possible.

Getting The Other Party To Say “Yes”

Another aspect often overlooked is the relationship between co-operation and negotiation. Have you ever considered the similarity?

To our knowledge, many deals with business counterparts are dead before they start because experienced negotiators can't persuade their colleagues in their own organisation to co-operate. Sales people lose deals because they can't get their company's decision processes to move flexibly or quickly enough. How easy to blame “The Company” – how often do they consider the degree to which a more fluent decision could have been reached had they used the process of negotiation when seeking internal co-operation? The negotiation process is as applicable to internal co-operation as it is to commercial negotiation with external parties?

Knowing The Process – Are You In Control?

That brings us to the process. All negotiations go through a process of phases and stages – whether the negotiators realise it or not.

It's a bit like the tide coming in. It won't stay away just because you're out on the mud flats and don't realise you're on a sandbank! If you don't realise how to manage the process it will swamp you! How often have you found that time has run out and you're only just beginning to make “progress”? As often as not, in the so-called “real world”, the vast bulk of movement takes place in the last 10% of the time. The amazing thing is many experienced but untrained negotiators believe there is nothing they can do to influence this in a mutually beneficial way. They usually leave the meeting believing that not enough time was allowed.

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Effective negotiators understand how they can better manage the process by using their behaviour so that they can communicate in the ways most appropriate at each stage. The skill lies in communicating to induce the desired response. Most people communicate to pass what is in their heads to someone else. Effective negotiators recognise that that doesn't work and use their communication skills effectively.

So, You're A Good Communicator?

That's another aspect – how effective are we at communicating...really?

Communication skills require understanding, practice, feedback and more practice. We have seen a negotiation where key pieces of information were raised by one party 13 times and missed by an experienced negotiator (25 years!) because he didn't realise the importance of the issue to the other party! And that is not an unusual thing to happen.

In our work with corporate clients, it is very apparent that they do benefit from experience.



However, it is equally apparent that they do not benefit from that experience to anywhere near its full potential, unless they have the necessary frameworks and feedback to shape the practical learning that can be achieved. During training, negotiators learn about the behavioural characteristics that others always see in them which they never realised were present. They also learn to cope with behavioural characteristics of those with whom they have to negotiate! In this way, negotiators can build an appropriate portfolio of behaviours. Without this armoury, negotiators tend to be unconsciously influenced by the business environment of the day, their skills being diluted by everything from economic climate to company culture.

The Impact Of Economic Climate And Company Culture

As human beings, we all seek to succeed and strive to meet the criteria for success, whatever they may be. The effective negotiator builds and uses a portfolio of behaviours based on established best practice behavioural criteria. In this way, he or she remains responsive to a wide range of negotiating environments and climates.

However, when negotiators walk in a world where their only learning has been through experience, they are unable to benchmark their behaviour against best practice and look instead to the environment itself. There is evidence to suggest that their style will reflect the economic and cultural trends of the day. Therefore, when the environment is unstable – such as during a recession – there will be wild swings in style. These swings in style create uncertainty and a lack in confidence that other business parties have in the sincerity of the negotiator. This lack of confidence undermines the relationship and quality of deals achieved by all parties.

As individuals working in the market place, negotiators are influenced by many factors, some of those factors being more influential than others. When companies revise their policies and marketing strategies, and economic factors impact the market place, the criteria for measuring the success of a negotiator may be perceived by the negotiator to have changed. The negotiator, therefore changes the tactics that he or she uses because they perceive that that is what is required by the employer. In our experience, this is rarely the case and the company still expects that the relationship will be win-win. In such situations, effective negotiators draw on the versatility that comes from their combined

experience and training. They do this by applying the fundamental principles of negotiating behaviour to achieve negotiations that are ethical and mutually beneficial.

The Evidence

Through the last ten years, we have gathered data from clients negotiating in industry on the styles used by experienced negotiators. This data evidences swings from predominantly positional to concessionary tactics coinciding with the entry into recession and the emergence into recovery. These swings have caused untold problems with relationships for many companies in those industries.

With appropriate guidance, training and support from their companies, these negotiators would have been able to manage their tactics so as to preserve the mutually beneficial relationships that their employers wanted them to achieve. Once formal training has been undertaken, the framework for developing competence is in place and the potential for development of effectiveness and learning from experience becomes powerful rather than arbitrary.

The Shoulders Of Giants: A More Efficient Alternative

In today's business world, experience is an essential ingredient of learning to negotiate, but should never be perceived as the sole source.

Einstein is reputed to have attributed his success to the fact that he was able to "...stand on the shoulders of giants". In today's competitive markets, negotiators must be developed rapidly to efficient effectiveness. The learning process has to be accelerated into a short period of time through formal training, practice, coaching and feedback.

It is through training that the negotiators can themselves stand on the shoulders of the giants of negotiation, for it is through training that the wisdom and learning of those giants is passed down, studied and learnt. It is through coaching and feedback that the learning is incorporated into the negotiator's personal behaviour portfolio. The practice, coaching and feedback can then be extended into the market place through supported experience. In this way, time is saved, costly mistakes are avoided and valuable business relationships are preserved.

There are several styles of training and a range of training programmes in the market place. Not all programmes favour the win-win style of negotiating.



This article makes the assumption that negotiators seek to establish and develop mutually beneficial long-term relationships with their customers, clients, suppliers and colleagues.

So What Does It All Mean?

So, in summary, what is the benefit of learning to improve your natural negotiating skills through formal training?

- The negotiator learns in a short period of time, proven techniques which will enable him/her to achieve the best possible outcome for the company, project, department, team etc., whilst promoting and/or enhancing the relationship with the other party/ies.
- The negotiator learns to further his/her own needs and interests whilst also helping the other party to do likewise.
- The negotiator learns a style of negotiating that will enable him/her to achieve more win-win outcomes, whatever the market climate or company culture at the time.

The conclusion to be drawn is that learning by experience to be an effective negotiator does work but it is a very costly and inefficient method unless it takes place against a framework of more formal learning. If it takes 25 years to become effective through trial and error, how much more quickly could we learn from the experiences of those who have gone before? And what unknown price has to be paid through the damage done to relationships and the inability to get the best possible deal available?

Only through a carefully planned learning process can the benefits of experience be extracted and the costly mistakes born of trial and error minimised.

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