

Negotiation: An Interest(ing) Approach

What do you think of when you think about negotiation?

If you are like many people it probably isn't something good – buying a used car, dancing with someone you don't like, feeling that no matter how you do that you should have done better.

These feelings come from a basic assumption that in a negotiation if you do well the other person has to sacrifice or if they do well you will do worse. Negotiation wonks call this the fixed sum error. Sometimes it is a zero-sum situation where one person's gain is the other's loss. People usually negotiate by stating positions and making competing demands and incremental concessions to close the gap. Everyone feels like they are giving a lot and getting little in return.

Most of the time there are ways to create value or “enlarge the pie” before you divide it or claim value. One way to do that is to focus on interests – an approach made famous in the book *Getting to Yes* by Roger Fisher and William Ury.

What Are Interests and How Are They Different from Positions?

Simply defined:

- **Interests:** the underlying need or concern that motivates the party, their goals, or *why* they are taking a position. Interests might be tangible, getting the job at the right pay, or intangible, being treated fairly and respectfully.
- **Positions:** What a party is seeking in the negotiation, their demand.

By focusing on interests, it is much easier to shift to problem solving and look at a variety of ways to reach a mutually satisfactory outcome.

The orange story:



Two young people are arguing over one orange, each saying “I want it, I need it.” Stating their position. You come along and they ask for your help. Most people would cut it and give half to each, believing that would be a fair division. Each might shrug and grumble accepting their half. Why are they disappointed? Because they feel their needs were not adequately addressed.

Instead you ask each “Why do you want the orange? What is important to you about it?” One explains they are hungry and the other that they need the zest to flavor a cake. You peel the orange, give the center to one and the rind to the other. Everyone is happy and satisfied. Pretty simple – if you understand their interest. This approach helps in more situations than you might think.



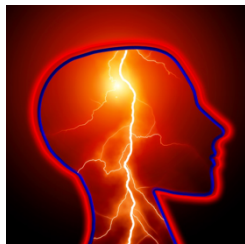
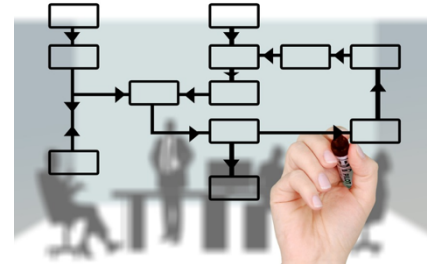
There are Different Types of Interests

Interests tend to fall into three different types: *substantive, procedural and psychological*.



The substantive interests are what people typically focus on the most and are often tangible. Examples are: money/price, products, services, time, payment method/terms/interest rate, etc.

The procedural interests refer to the way the discussion and bargaining are conducted. Does each person have an opportunity to express themselves? Is there sufficient time to negotiate and have some give and take instead of having one party force their desired outcome on the other? Does each person refrain from name calling or making disparaging remarks? Will the agreement be reduced to writing and is there a plan for implementing it?



The psychological interests refer to how people feel during the process and the relational aspects. People want to be treated with courtesy, dignity and respect. They want to not only speak without interruption (a procedural interest) but also to be heard and understood. If there is interdependence in the implementation of an agreement or any form of possible ongoing relationship, they want to feel positively about the other person and the ability to communicate openly and work with them in the future.

An Example

A supervisor might say “Please give me an update on all your projects by the end of the day. We have a team meeting tomorrow morning.” (A perceived demand).

The employee might respond “I am too busy to do that, just leave me alone to do my work done and stop micro-managing me!” (A positional response.)

The supervisor’s interests might be: balancing workload of staff, getting a report in on time/responsive to their manager, prioritizing an agenda for an upcoming meeting so people can feel the important issues are being addressed, being (and being regarded as) a good supervisor. Any others you can think of?

The employee’s interest might be: having a manageable workload, not wasting time in meetings, doing quality work, being appreciated/recognized for their competence and ability to get tasks completed, autonomy, job security and opportunities for advancement.

Mine, Yours, Ours

The substantive interests are usually where people spend the most time and energy in a negotiation. The other interests are ignored at your peril because they will drive negative emotions that can quickly raise a barrier to agreement. Just think about the last time you felt disrespected, humiliated or ignored.



In preparing for a negotiation it is critical to think about your interests.

They will give you a new lens on the issues you want to address – and how you might address them. It is just as critical to think about and inquire about the other party's interests. They will sense your curiosity and desire to find a mutually acceptable solution. This will help shift them from positions to problem solving and have them feel heard and reduce the emotional tension. When that happens, you increase the chances of getting what you want by looking at where the interests align and can be integrated!

Look at the example above again. Can you see where the interests of the supervisor and employee might be in common?



Photographers use tripods because the three legs can create a stable platform on uneven ground. If you want to create a durable agreement think of the substantive, procedural and psychological interests as the three legs of your tripod. You will get a much better picture of what is going on and agreements that people will remember and act on because they meet their interests.