

The Role of Effective Communication and Challenges in Negotiation

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Abstract

Negotiation is nothing but a discussion among individuals to reach to an alternative which would satisfy all. An effective communication is directly proportional to an effective negotiation. The better the communication is the better the negotiation would be. Discussion does not mean fighting and shouting, instead it is simply the exchange of one's ideas, thoughts and opinions with each other. One needs to have excellent communication skills for a healthy and an effective discussion. Communication is an art and one should master it to excel in all kinds of negotiation. The other person will never come to know about your thoughts and ideas unless and until you share it with them. One can't see your grey matter. Lot depends on how you speak. One should very sensibly convert his thoughts into a speech by carefully selecting relevant words. Be careful about your words. One should never use derogatory sentences or fowl words in his speech. Understand the power of speech. The way you present your thought matters a lot. Don't speak just for the sake of it. Haphazard thoughts and abstract ideas only lead to confusions. One must speak clearly what he expects from the other person. Don't eat your words and try to confuse others. Your thoughts and ideas must be expressed clearly for others to understand well.

Keywords: Effective Communication, Challenges in Negotiation

1.0 INTRODUCTION

Negotiation is a technique of discussing issues among one selves and reaching to a conclusion benefiting all involved in the discussion. It is one of the most effective ways to avoid conflicts and tensions. When individuals do not agree with each other, they sit together, discuss issues on an open forum, negotiate with each other and come to an alternative which satisfies all. In a layman's language it is also termed as bargaining. You want to go for a movie but you know that your parents will never agree to your decision. Will you fight with your parents? Obviously NO, instead you will sit with them and try your level best to convince them and negotiate with them without fighting and spoiling everyone's mood. Probably you will spend the coming weekend with your parents if they allow you today for the movie else you will negotiate with your friends so that they agree for a noon show. Negotiation helps you to achieve your goal without hurting anyone. Your goal in this case is to go for a movie and you negotiate either with your parents or friends to achieve the same. In the second situation, Tom could not afford to lose the CD player as it was an exclusive one, thus he tries to negotiate with the store owner to lower the price so that it suits his pocket and even the store owner earns his profit as well.

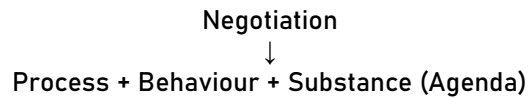
Negotiation is essential in corporates as well as personal lives to ensure peace and happiness. Your boss asks you to submit a report within two working days and you know that the report is a little critical one and needs more time. Will you say a yes to your boss just to please him? Your yes might make the boss happy then but later you will land yourself in big trouble if you fail to submit it within the desired time frame. It's always better to negotiate with your boss rather than accepting something which you know is difficult. Ask for some more time from your boss or probably don't make an exhaustive report. Negotiation is better as it would prevent spoiling your relation with your superiors later.

1.1 Negotiator

An individual representing an organization or a position who listens to all the parties carefully and comes to a conclusion which is willingly acceptable to all is called the negotiator. A negotiator ideally should be impartial and neutral and should not favour any one. He needs to understand the situation and the parties well and decide something which will benefit all. It is not always that people will easily accept the negotiator's decision; they may counter it if they feel their personal interests are not satisfied. In such a situation, where the negotiator is left with no choice, he must use his power to impose his ideas on all,

after all one can't please everyone. A negotiator has to be a little tactful and smart enough to handle all situations and reach to a conclusion.

1.2 Elements of Negotiation



- **Process-** The way individuals negotiate with each other is called the process of negotiation. The process includes the various techniques and strategies employed to negotiate and reach to a solution.
- **Behaviour-** How two parties behave with each other during the process of negotiation is referred to as behaviour. The way they interact with each other, the way they communicate with each other to make their points clear all come under behaviour.
- **Substance-** There has to be an agenda on which individuals negotiate. A topic is important for negotiation. In the first situation, going for the late night movie was the agenda on which you wanted to negotiate with your parents as well as your friends.

Negotiation is simply a technique, a discussion among individuals to reach to a mutual agreement where everyone gains something or the other and conflicts are avoided.

1.3 Models of Negotiation

Negotiation is defined as a discussion among individuals to reach to a conclusion acceptable to one and all. It is a process where people rather than fighting among themselves sit together, evaluate the pros and cons and then come out with an alternative which would be a win win situation for all. Sam wanted to purchase a mobile handset, he tried his level best to buy it at the lowest possible rate and the shopkeeper also ensured that he could earn his profits as well. Thus the negotiation benefited Sam who didn't have to shell out loads of money and the shopkeeper was also satisfied because even he earned his profits. Negotiation helps in reducing conflicts and disputes among each other. Negotiation is essential in every walk of life for a peaceful and stress free living. Let us go through various models of negotiation:

1. **Win Win Model** - In this model, each and every individual involved in negotiation wins. Nobody is at loss in this model and everyone is benefited out of the negotiation. This is the most accepted model of negotiation. Let us understand it with the help of an example: Daniel wanted to buy a laptop but it was an expensive model. He went to the outlet and negotiated with the shopkeeper to lower the price. Initially the shopkeeper was reluctant but after several rounds of discussions and persuasion, he quoted a price best suited to him as well as Daniel. Daniel was extremely satisfied as he could now purchase the laptop without burning a hole in his pocket. The negotiation also benefited the store owner as he could earn his profits and also gained a loyal customer who would come again in future.
2. **Win Lose Model** - In this model one party wins and the other party loses. In such a model, after several rounds of discussions and negotiations, one party benefits while the party remains dissatisfied. Please refer to the above example once again where Daniel wanted to buy a laptop. In this example, both Daniel and the store owner were benefited out of the deal. Let us suppose Daniel could not even afford the price quoted by the storeowner and requests him to further lower the price. If the store owner further lowers the price, he would not be able to earn his profits but Daniel would be very happy. Thus after the negotiation, Daniel would be satisfied but the shopkeeper wouldn't. In a win lose model, both the two parties are not satisfied, only one of the two walks away with the benefit.

3. Lose Lose Model - As the name suggests, in this model, the outcome of negotiation is zero. No party is benefited out of this model. Had Daniel not purchased the laptop after several rounds of negotiation, neither he nor the store owner would have got anything out of the deal. Daniel would return empty handed and the store owner would obviously not earn anything. In this model, generally the two parties are not willing to accept each other's views and are reluctant to compromise. No discussions help. Let us understand the above three models with an example from the corporate world. Mike got selected with a multinational firm of repute. He was called to negotiate his salary with Sara- the HR Head of the organization.
 1. Case 1 - Sara quoted a salary to Mike, but Mike was not too pleased with the figure. He insisted Sara to raise his salary to the best extent possible. After discussions Sara came out with a figure acceptable to Mike and she immediately released his offer letter. Mike got his dream job and Sara could manage to offer Mike a salary well within the company's budgets - A Win win Situation (Both the parties gained)
 2. Case 2 - Sara with her excellent negotiation skills managed to convince Mike at a little lower salary than he quoted. Mike also wanted to grab the opportunity as it was his dream job and he was eyeing it for quite some time now. He had to accept the offer at a little lower salary than expected. Thus in this negotiation, Mike was not completely satisfied but Sara was - A win lose negotiation
 3. Case 3 - Mike declined the offer as the salary quoted by Sara did not meet his expectations. Sara tried her level best to negotiate with Mike, but of no use. -A lose lose model of negotiation. No body neither Mike nor Sara gained anything out of this negotiation.
4. RADPAC Model of Negotiation: RADPAC Model of Negotiation is a widely used model of negotiation incorporates. Every alphabet in this model signifies something:
 1. R - Rapport: As the name suggests, it signifies the relation between parties involved in negotiation. The parties involved in negotiation ideally should be comfortable with each other and share a good rapport with each other
 2. A - Analysis: One party must understand the second party well. It is important that the individual understand each other's needs and interest. The shopkeeper must understand the customer's needs and pocket, in the same way the customer mustn't ignore the shopkeeper's profits as well. People must listen to each other attentively
 3. D - Debate: Nothing can be achieved without discussions. This round includes discussing issues among the parties involved in negotiation. The pros and cons of an idea are evaluated in this round. People debate with each other and each one tries to convince the other. One must not lose his temper in this round but remain calm and composed.
 4. P - Propose: Each individual proposes his best idea in this round. Each one tries his level best to come up with the best possible idea and reach to a conclusion acceptable by all.
 5. A - Agreement: Individuals come to a conclusion at this stage and agree to the best possible alternative.
 6. C - Close: The negotiation is complete and individuals return back satisfied.

2.0 TYPES OF NEGOTIATION IN CORPORATES

The dialogue between individuals to come to a common conclusion benefiting all is called as negotiation. Negotiation refers to the discussions among individuals evaluating the pros and cons of a situation and coming to an alternative best suited to all. In negotiation, individuals try their level best to come to a conclusion which would satisfy all. In simpler words, it is also called as Bargaining. Negotiation takes place in various ways incorporates for increased output and better relations among employees.

- Day to Day Negotiation at work place- Every day we negotiate something or the other at the workplace either with our superiors or with our fellow workers for the smooth flow of work. These are called day to day negotiations.
- Negotiation between employee and superior- At the work place, an employee has to negotiate with his superiors so that he is assigned the responsibilities as per his interests and specialization. Don't accept anything you are not comfortable with. Sit with your boss and discuss things with him. Let's suppose your boss wants you to prepare a report on branding and marketing strategies of the organization and marketing was never your specialization. Do not accept it just because your boss has told you to do so. Negotiate with him, probably you can cover some other subject and somebody else can be asked to prepare the report on marketing and branding. It is better to negotiate at the first place to avoid conflicts and misunderstandings later. An individual before accepting any offer should negotiate his salary with the concerned person to avoid tensions later. If you are not getting what you deserve, you will never enjoy your work. Don't just accept any offer just because you need a job, it's always advisable to negotiate well before joining any organization.
- Negotiation between colleagues- Negotiation is essential among team members to reduce the chances of disputes and conflicts. Any particular team member should not be overburdened while the other member is relaxing. One should negotiate with his fellow workers and accept only those responsibilities he feels he is best capable of doing. The responsibility of achieving the targets should not rest on only one shoulder, but equally divided among all. Negotiate with your team members and accept the responsibilities willingly. If you want to go for a leave for some days, negotiate with your team member to take care of your work in your absence. When he takes a leave, you can help him in the same way.

Negotiation helps to increase the output of the team and eventually the productivity of the organization. People achieve what they expect and hence misunderstandings and conflicts are reduced to a large extent and the office becomes a better place to work.

- Commercial negotiations- Commercial negotiations are generally done in the form of contract. Two parties sit face to face across the table, discuss issues between them and come to conditions acceptable to both the parties. In such cases; everything should be in black and white. A contract is signed by both the parties and they both have to adhere to its terms and conditions.

Cherry was representing the administration department of a reputed organization. He was assigned the responsibility of buying bulk laptops for the office employees from a vendor. He asked the vendor to quote a price for him. Cherry found the price was beyond the company's budget and thus sat with the vendor, negotiated the price with him and finally both of them agreed to a price suitable to both. A contract was signed between Cherry and the vendor mentioning the payment details, mode of payment, date of delivery, warranty details and other important terms and conditions. Commercial negotiation generally involves an external party and thus a contract is essential so that no party backs out later.

- Legal Negotiation- Legal negotiation takes place between individual and the law where the individual has to abide by the rules and regulations laid by the legal system and the legal system also takes into account the needs and interest of the individual.

Negotiations are essential at workplace so that everyone is satisfied and nobody feels left out or neglected. It also reduces conflicts and misunderstandings among fellow workers.

2.1 Win Win Negotiation

A discussion among individuals to reach to an alternative which involves the interest of all the participants is termed as negotiation. An individual must try his level best to negotiate with each other and reach to a common conclusion to avoid conflicts and misunderstandings. In a win win negotiation both the two parties are benefited and both of them get whatever they expect. One needs to prepare well for a win win negotiation:

- The first and the foremost requirement for an effective negotiation is preparation. One should be well prepared before going for a negotiation. Don't attend negotiations just for the sake of it. Make it a habit to go through even the minutest details related to the deal. Check all the related websites and gather as much information as you can. If you intend buying a pen, try to check out the prices of other leading brands as well. For expensive items, it is always better to check a few shops before finalizing the product. The second party might ask you anything and you should be ready with your facts. Never be in a rush. For business deals, check out all the relevant documents so that you don't miss out anything. Do carry all the necessary documents along with you at the time of negotiation, you might need them.
- One should be very specific about his expectations from the negotiation. The purpose of the negotiation must be clear. Why do you need the negotiation? What purpose will it solve? Don't be in a confused state of mind. Be focused and don't change your mind quite often. If you expect a particular salary, it's better to stick to it. If you have the caliber and talent, you will definitely get what you want but it is important to have realistic expectations. Don't expect anything you yourself know is not possible.
- One should always be ready with an alternate plan. Don't rely on a single plan. It might not work out sometimes. You should always have some other option to convince the other party else you might end up sitting blank at the time of discussion.
- Be transparent and honest with the second party. Lies and manipulations never help. Honesty always pays in the long run. Don't hide anything from the other party. If you hide the terms and conditions, the deal might turn in your favour but you might land yourself in trouble later. If you are honest with the second party, you will be at peace and there is no need to worry at all.
- Be very confident. Never show your need and helplessness to anyone. You might be in dire need of something, but keep the feelings to yourself only. A business deal might be very crucial for your promotion but the second party must not come to know about this, otherwise he will try to act pricy. Show a positive attitude and do flaunt your smile more often.
- Understand the second party well. Try to find out more about his needs and interests as well. You have to take into consideration his expectations as well. Do not decide on something which would not be feasible for the other party. One should try his level best to come to a conclusion which would make both the parties happy.
- Be a good communicator. Don't play with words; make sure you carefully chose relevant words. Avoid using foul words against anyone; it goes a long way in spoiling the ambience. There are other ways by which you can show your displeasure. Avoid being rude to anyone. Be precise and crisp in your speech. Take care of your tone and pitch as well. It should not be too high and must be audible to all. Don't stammer in between.

- Take care of your dressing as well. An individual must be well dressed for a negotiation. Don't adopt a casual approach as the other person will never take you seriously. Prefer wearing formals to create the desired first impression on others.
- An individual should learn to compromise to his best extent possible. One must know where to compromise as it is important to reach to a conclusion. Remember you can't get everything. If everyone is rigid on his views, no conclusion would ever come out. For a win win negotiation, it is better if the individuals try to adjust with each other and decide on something best suited to all.
- Once you are done with the negotiation, do sign contracts and agreements in the presence of both the parties. Make sure that all the necessary terms and conditions are mentioned clearly in the contract.
- One must go with a positive attitude for a win win negotiation. Adopting a negative attitude will lead to negativity all around. Don't pretend, just be yourself and things will definitely fall into place.

3.0 NEGOTIATION IN CORPORATES

Negotiation is nothing but a discussion among individuals to find out an alternative which takes into account the interest of all and nobody is at loss. In a win-win negotiation people try their level best to come to a solution where everyone is benefited and nobody is at loss. Negotiation is essential in corporates to avoid conflicts and improve the relations among the employees. Don't be too rigid and adamant in the office. The process of negotiation starts the moment an employee gets a selection call from an organization. It is essential that the individual responsible for hiring employees negotiates well with the candidate and offers him the best salary.

Every organization runs for earning profits and thus the HR Professional must try to make the person join at the lowest possible salary but make sure you do not offer him anything less than his previous salary. He will never be interested to join. Even if he joins, he will not take his work seriously and the results would be zero. Discussions are important. Make him realize that money is not the only criteria for selecting a job. Other things like one's job responsibilities, job security as well as the brand name should also be considered. The negotiation style plays an important role in corporates. Do not offer anything exceptionally high as it would again create a problem among the existing employees. Ensure that you are little tactful and do flash your trillion-dollar smile. It helps. No way can you annoy the individual.

Negotiation is also important when you are dealing with vendors. An organization needs money to survive and take care of the employees as well. It can't afford to spend money as it is. A single penny saved will help you and the organization later. The person dealing with the external parties must be a good negotiator else he will end up paying more amount than required. Always sit with the vendor and quote a price little lower than you intend to pay. He will definitely ask you to increase it and probably then you will reach to a figure well within your organization's budget. Don't be rude with your vendor but be very confident and convincing. Remember you are not dealing with him just once; you need to maintain a healthy relationship with him for future business as well. Try to convince the vendor at such a rate which would benefit your organization and save money. Quote realistic figures and do take care of the vendor's profits as well. Try your level best to close the deal.

One should never accept terms and conditions verbally, it's always better to have something in black and white probably a contract as it is more reliable. The terms and conditions must be discussed on an open forum and should be signed in presence of both the parties so that no body backs out later. One should also learn to negotiate with one's superiors. Remember negotiation does not mean you have to shout on others, you need to be polite. Don't accept responsibilities just because your boss wants it. If you are not comfortable with any role, it's better to decline it, rather than accepting something you are not familiar with and losing interest later. After all there are other employees as well, they can accept the same and you can do something else which suits your profile. If you know you will not be able to submit the project within the stipulated time frame, tell your boss. Never hide things from him. Be straightforward. If you want to go for a leave, try to negotiate with him that probably you will attend office the coming weekend or sit for some more time in the coming days to compensate for the loss. Be a little

patient. Conflict must be avoided at the work place as it only leads to negativity all around. Negotiations help to reduce conflicts at the work place. Conflicts arise when individuals are too rigid and are just not willing to compromise with each other. Negotiations help in finding an alternative which benefits all.

3.1 Negotiation in Daily Life

Conflict has never benefitted anyone, instead it adds to one's tensions and anxiety. It is better to discuss things and reach to an alternative benefitting all. Issues must not be dragged unnecessarily and efforts must be made to come to a conclusion involving the interests of all. No point in being adamant and rigid. One should strive hard to negotiate with each other and consider the needs, interests and expectations of all. Negotiation is essential everywhere. It is not only the corporates where negotiation is important but also in our daily life. We all must try our level best to adopt negotiation skills to avoid misunderstandings and lead a peaceful and a stress free life. Negotiation is essential in everyone's family to maintain peace at home. We all need to compromise with each other to some extent to avoid disagreements at home. Terren's mother baked one of his favourite cakes but he had to share it with his brother Peter as well.

- Situation 1: Terren negotiated with Peter that if Peter gives him the larger share, he would probably finish all his marketing assignments to which Peter gladly agreed as now he could enjoy his weekend with his friends. It was also a win win situation for Terren as now he could relish his favourite cake.
- Situation 2: Terren fought terribly with Peter over the cake and neither Terren nor Peter could enjoy the cake. They spoiled the evening and got a good scolding from their parents as well

Situation 1 is anyway a better option as both Terren as well as Peter could get whatever they wanted. The negotiation benefitted both of them and reduced the chances of disputes between the two brothers. Negotiation also helps in effective buying. Every individual needs to save money for the rainy days. You just can't spend money like anything. One must try his level best to negotiate with the second party to reduce the costs to the best extent possible. If you do not negotiate well you will end up spending more than required. Always remember the shop owner keeps a profit margin on almost all selected products. Don't go and just pay whatever he asks for. Quote a price little less than what he quotes but do not forget to calculate the shop owner's profits as well. If you intend buying some expensive brand, it is better to check out the prices of its competitors as well.

Negotiation is important but do not forget to be polite and dignified. Convince the shopkeeper as to why the price of a particular item should be a little less than what he has quoted. Discuss with the store owner. He will feel happy after all he needs to sell his products and even he looks forward to a loyal customer. It is better if both the parties negotiate with each other and come to a price which would satisfy both of them. (The customer as well as the store owner). The customer would afford to buy his product at a reasonable price and the store owner would also manage to earn his profits. Ask for discounts when you go out for shopping.

Negotiation reduces conflicts and improves the relation among individuals. We are human beings and unlike animals we live in societies and need people around. How would you feel if your next door neighbours don't talk to you? People can't stay all alone. They need the company of others to share happiness, sorrows and take each other's help whenever required. Don't always find fault in others. It is okay if your next door neighbour has parked his car in front of your house. Don't go and fight with him. You might even need him some day. Don't get hyper or over react. Try to understand the other person as well. An individual must learn the skills to an effective negotiation to lead a happy and a peaceful life. Life is short and one must enjoy each and every moment of it. Why to unnecessarily fight with each other and complicate issues? Negotiation is essential for better bonding among individuals, lesser conflicts and a happy life.

3.2 Negotiation Skills

Negotiation is defined as a discussion among individuals, each one trying to present his best idea to come to a conclusion benefiting all. An individual gain nothing out of conflict and misunderstanding; instead it leads to stress and anxiety. It is always advisable to compromise to the best extent possible and

try to find out an alternative which satisfies all. An individual need to adopt certain skills for a successful negotiation. Let us understand them in detail: An individual before starting with the negotiation must be very clear with the agenda (topic) of the negotiation. Ask yourself - why this negotiation? What is the objective of the negotiation? One must be well informed. Try to find out more about the competitor's products or services. Let us suppose you want to buy a Parker pen for your friend's birthday. Before purchasing, it is always better if you check out the prices of other brands as well for instance Mont Blanc. Also check out its features; it will help you in better negotiation with the store owner. Don't go blank; the other party might fool you. Before any important deal, do make it a habit to go through as many details as you can. The second party might ask you anything, you must be well prepared to clear all their doubts and convince them. If you yourself are confused, he would never bother to listen to you.

- React sensibly - A good negotiator must react sensibly. He should never lose his temper or over react. If you are unhappy with the deal, show your displeasure. Don't keep things to yourself or assume that the others will understand it on their own. One has to voice his opinions. Make the other person realize that you are not satisfied with the deal and it must be revised. Show your unhappiness to others.
- Patience - One needs to be patient enough for a good negotiation. It is not always that the other person will accept your suggestions in the first attempt itself. You need to convince him and it needs patience. Never be in a hurry to close the deal.
- Confident - One needs to be confident enough for an effective negotiation. You might need something but never show your desperation to anyone. They will take undue advantage of your helplessness. Take care of your facial expressions. Never be nervous in front of the second party. Don't start sweating.
- Be dignified - One should maintain the decorum of the place and should not stoop to any level for getting the best deal. Present your ideas in a dignified way. Remember it is just a discussion, not a battle field. Avoid shouting or using derogatory statements against anyone. If you are not satisfied with the deal, it's better to quit rather than fighting and using abusive languages.
- Be very clear in your communication - Stay firm on your quotes and do not change statements quite often. Don't play with words or try to confuse others. One needs to be straightforward from the very beginning.
- Be a good listener - Don't jump to conclusions; instead listen to what the other party offers. Understand his situation well. It's okay to think about your personal interests but don't be mad for it. If the deal is not benefiting the other party, he will obviously not accept it, don't be after his life. If you don't listen to others, they would obviously not respond to you.
- Be reasonable - Don't quote anything just for the sake of it. Be reasonable. Don't quote imaginary or unusually high figures. Don't ask for anything you yourself know is not possible. It will just be wastage of time and no one would benefit out of it.

3.3 Negotiation Techniques

Negotiation is referred to as the style of discussing things among individuals in an effort to come to a conclusion satisfying all the parties involved. Discussions should be on an open forum for everyone to not only participate but also express their views and reach to an alternative acceptable to all. It is important how we negotiate with each other. One must know the difference between negotiating and begging. Do not stoop too low to get a deal closed. Negotiation must be in a dignified way. One has to be extremely patient and also understand the second party's needs and interests as well. Never impose your ideas on anyone. Let everyone speak their mind and decide something which would favour one and all. Let us go through some negotiation techniques in detail:

- The first and the foremost technique for an effective negotiation is one should be well informed with everything related to the deal. Find out even the minutest detail you think is important and you might require at the time of negotiation. Be prepared for everything. Remember the second party might ask you anything.
- Take good care of your posture as well as your body movements. Look confident. While speaking, don't look around or play with things. It's just a discussion, no one will kill you if you are not able to close the deal. Don't stammer in between or start sweating in front of others. The second party will take undue advantage if they find you nervous. Take care of your dressing as well. Don't wear anything which is too casual. If you dress casually people will not take you seriously.
- Be very focused. One should be very specific what he wants. First ask yourself what is the purpose of this negotiation? What do you actually want? What is the affordable price for you? Be firm and stick to it. Be very specific and clear.
- Never keep things to yourself and crib later. Don't assume that the other person can read your mind on his own. One needs to ask for what he wants. A mother will not feed her child unless and until he cries. Speak your heart out. If you are not satisfied with the deal, show your displeasure to others. Express them that you are not very happy with the price and it needs to be revised.
- Be a patient listener. Listen to others as well. Think about their interest and needs as well. Don't ask for anything which would not benefit the second party. Don't jump to conclusions and never interfere when the other person is speaking. Listen to the other party's proposal as well; he might come up with something unique which you could not even think.
- Be realistic. Don't ask for something you yourself know is not possible. Don't quote anything just for the sake of it. One should be a little practical in his approach. Don't ask for irrational discounts. Be logical. It's nothing bad to think about your personal interests, but one should not be mad for it. If you want to purchase something, also remember that the store owner has to earn his profits as well.
- Don't be in a hurry to close the deal. Take your time to discuss things among yourselves. Make sure you are deciding something which would be a win win situation for all. Never drag any discussion and make the conversation too long. Too much of pleading and persuasion result in a big zero and no conclusion can be drawn out of it.
- Know where to compromise. An individual has to compromise sometimes to come to an output. If you feel that if you accept some terms and conditions, things would be better and it would not harm you much, go ahead. Everyone needs to compromise sometimes or the other. Even in marriages, one partner needs to negotiate with the other for better understanding.
- Communication is also important in negotiation. Speak clearly and precisely. One should not confuse others. Playing with words is one of the biggest threats to negotiation. Don't use derogatory or lewd remarks against anyone.
- For a third party it's always better to sign a contract or have something in black and white so that no body backs out later. It's always better to sign agreements in the presence of both the parties for better transparency. At workplace after every discussion and negotiation, emails or minutes of the meeting must be circulated among all the team members for everyone to get a clear and the same picture.

4.0 CHALLENGES FOR AN EFFECTIVE NEGOTIATION

When individuals find it difficult to adjust with each other, the best way is to sit together and discuss among themselves and adopt the middle path. Instead of fighting with each other, it is better to discuss things and come to an alternative benefiting all. Negotiation takes into account the personal interests of all and helps individual to come to a common conclusion. When the targets of a team are set, all the team members are invited to discuss with their superiors. If the boss assigns a target of 20 sales a month and the team members find it unachievable, they should negotiate with their boss to slightly lower their targets, rather than saying a yes to it. When you want to go for a party, you probably negotiate with your parents that if they allow you to go for the same, you will study the whole weekend. The process of negotiation is designed to benefit all but sometimes it is little difficult to reach to a conclusion and satisfy all. There are few challenges to negotiation and one must try his level best to overcome them. Let us study them in detail:

- The biggest challenge to negotiation is when individuals are not ready to understand the second party at all. There are individuals who only think about their interests and tend to ignore the interest and needs of the other.
- Lack of time is also a major challenge to effective negotiation. One should never be in a hurry. You need time to convince others. Never be in a rush to purchase things or close a deal. Analyze things carefully and then only come to conclusions.
- Going unprepared for a negotiation is unacceptable. Don't underestimate the second party. One should do his home-work carefully. Check out even the smallest details before going for a negotiation. Don't think that the other person is not as smart as you, he can ask you anything and remember even he will try his level best to convince you. You need to have valid answers for his questions.
- Lack of patience also leads to a bad negotiation. Every individual has the right to express his views and one should not interfere in his speech. You might not agree to him but at least listen to him first. Sit with the second party and make him realize how the deal would benefit you as well as him. If possible, take a note pad and a pen with you to explain things in a better way. Carry all the necessary documents which you might require at the time of negotiation.
- Criticism, sarcasm, derogatory remarks are the biggest threats to an effective negotiation. Never ever say anything which might hurt others. Remember everyone is here to do business and make profits, so be logical and justified. Don't get too involved and over emotional. One should be a little diplomatic and intelligent for an effective negotiation.
- Avoid last minute changes as it results in confusions and misunderstandings. The two parties must be very clear on what they expect from each other, and must stick to it. Don't change statements every now and then. Once a conclusion is reached or a deal is cracked, it's always better to sign an agreement in presence of both the parties.
- Being too rigid is one of the biggest challenges to an effective negotiation. Be a little flexible. Compromise to your best extent possible and don't crib always. One should adopt a positive attitude and try his level best to adjust with each other and find out a solution which will satisfy all. Only price is not important, other factors like quality, brand name, durability must also be taken into consideration. One CD player might cost you \$5 but another might cost you \$4, a little cheaper than the first one, but it is quite possible that the first one is far superior in quality than the second one. Be a little sensible and understand things. If you have purchased something for \$6, would you sell it to someone for \$3. Obviously no, the same goes with others as well.
- Lack of confidence is again one of the major threats to negotiation. Don't forget to make an eye contact with the person sitting on the other side of the table. It's important to be serious but that

does not mean you will not even greet the other person. Be straightforward and crisp in your communication. Take care of your dressing and appearance as well.

4.1 Personality in Negotiation

An impressive personality goes hand in hand with good communication for an effective negotiation. A charming personality is the key to an effective negotiation.

- During negotiations an individual must try to be himself. One should not fake things or pretend to be good. If you are not satisfied with the deal, do not pretend that you are happy. It's better to raise a concern then and there, rather than crib later. Be normal and relax, things will automatically fall into place.
- It's important to be sincere rather than just being serious. Sincerity is one of the most important personality traits required in negotiation. One has to be sincere for an effective negotiation. Don't take things casually. Go well prepared for your negotiation. For a business deal, try to study everything related to the deal beforehand. The agenda of the negotiation must be very clear to you. Carry all the related documents which you might require at the time of negotiation. Don't go just for the sake of it.
- Be honest. Don't fake things. During negotiations, honesty plays an important role. One should never manipulate his salary to get a hike in the next organization. Don't speak unnecessary lies just for some money. The fear to get caught would always be there and somehow it would reflect on your face as well. Don't worry; you will definitely get what you deserve.
- One should go smartly dressed for a negotiation. Our dressing plays an important role in enhancing our personality. A shabbily dressed person will find it very difficult to convince the other person.
- Be Patient. It has been observed that impatient individuals are poor negotiators. Don't think that if you want that the price of a particular item should be \$4, the shopkeeper will agree to it immediately and gladly give it to you. You need to convince him and that requires patience. You can't lose your temper and shout on him.
- Be flexible and learn to compromise. It's okay to give priority to one's personal interests but one should not be selfish. If you are the first one to accept something, you will not become unimportant or lose anything, instead the other person would look up to you and both of you will gain whatever you want.
- One has to trust the second party for a better negotiation. Don't always find faults in others. Not all people are bad; there are people who are really good and helpful. One should not always think that the other person would do harm to him. The second party is there just to do business; he is absolutely not your enemy. Don't just come to the point, start the conversation with a warm smile. If he is wearing a nice shirt, do take the initiative to give him a compliment. Treat him as a friend. One should never be arrogant. He is also representing his company just like you. Order coffee and some snacks. It will help in breaking the ice and strengthening the bond between the two parties. Do remember that one should not be too casual and over friendly.
- Be professional in your approach. Once your deal is closed, do sign a contract in presence of both the parties. The minutes of the meeting must be circulated among all the participants for better clarity. Don't forget to collect your bills from the shopkeeper after you are done with your shopping. Don't only rely on verbal communication.

- Enhance your listening skills for a better negotiation. Listen to the other party as well. He might come up with something interesting and beneficial to you as well. Don't think that the other person doesn't know anything; even he has come well prepared. One should never underestimate the second party. If you go for a shopping, don't ignore the shop keeper, listen to him and then only decide what to purchase and what not to.
- Be a little tactful and diplomatic. Being diplomatic does not mean being clever. There is a difference between the two. One needs to be intelligent and should know what to speak and what not to speak. Analyze the situation and respond accordingly. Don't speak something because your boss has asked you to do the same. Apply your brains and react in an appropriate manner. If you feel your statements would sound foolish in the particular situation, it is better not to speak.

4.2 Emotions in Negotiation

Negotiation is defined as a discussion among individuals where everyone contributes equally to reach to a conclusion benefiting all. Lot of factors influence the process of negotiation, our emotions being one of the major factors. Our mood decides a lot many things.

If one is in a happy mood, everything seems perfect and good to him. Individuals with a positive attitude tend to trust each other better. They take keen interest in the negotiation and actively participate in discussions. They try their level best to come up with a suggestion and contribute effectively in the discussion. They do not unnecessarily find faults in other people and always try to take things in a positive way. A happy and a positive person would always look forward towards a concrete solution which would benefit him as well as the other party involved. Try to be cheerful always. One looks his best when he smiles.

Anger is one of the most negative emotions acting as a hurdle to an effective negotiation. A person loses control on his mind and is not in a position to think constructively in a state of anger. One's anger must be kept under control for an effective negotiation. Don't overreact on petty issues. Anger only leads to conflicts and misunderstandings and does not solve any problem. An individual should learn to keep a control on his tongue. Don't say anything which might hurt the other person. If you are getting angry on someone, it's always better to think something pleasant; your anger would soon disappear. Take a pause and think will this anger benefit you?

One needs to be friendly with the second party. Learn to trust him but don't get too involved in friendships. Everything has a limit and same goes with friendship as well. The other person might expect unnecessary favours from your side. Nadia knew Mac since childhood; Mac was working with a retail outlet. Nadia wanted to purchase some clothes for herself and went straight to Mac's outlet. Nadia and Mac were childhood friends and thus Nadia asked for more discounts as compared to what originally is offered to the other customers. Mac was bound by the store policies but he could not even refuse Nadia. He was really helpless and could not manage to offer Nadia the discounts she had quoted. Nadia went back empty handed, the negotiation was not at all fruitful and no body gained anything out of it.

Negotiations must be with a clear and a tension free mind. A mind clouded with tensions can't concentrate on anything and eventually one loses focus. An individual's mind is unable to take any decisions and he finds it difficult to develop an interest in the negotiation. We all know that tensions come uninvited, but it would be wise, if you keep the tensions on the back burner for some time when you are involved in negotiation.

One should be calm and composed. Never lose your cool and shout on the second party. Always ensure that you are comfortable with the second party. Don't take rash decisions and one should not interfere while the other person is speaking. Always analyze the situation well and then only come to any conclusion. One should try and adopt a step by step approach. Don't expect the result to come out within a second. Take your time to convince the other party but do not drag the conversation too long. It becomes monotonous and one tends to lose interest.

Don't stress yourself at the time of negotiation. Relax. Whatever has to happen will definitely happen. Taking stress does not help. It's better to relax and let things happen on their own. No one will kill you, if you are not able to close the deal, there is always another opportunity. Unnecessary stress makes you feel nervous and you tend to lose your confidence as well. Take interest in the discussion.

Don't develop a laid back attitude. Be active and participate willingly in the discussion. Don't sit in the negotiation just because your boss has asked you to do the same. It's better to express your opinion at the time of negotiation rather than cribbing later. If you are not satisfied with anything, express your displeasure. If you feel you are not prepared for the negotiation; it's better to postpone it, rather than attending it half-heartedly and messing up things.

Avoid being clever. Don't try to fool the other person. One should not fake things or manipulate the truth. Tampering data would only add to confusions. Be honest in your dealings. Never underestimate anyone. The second party is also aware of what is happening around you and is well prepared just like you. Learn to compromise sometimes. An individual must not be too rigid. At times it's good to take the initiative and be the first one to accept things. One should avoid being adamant.

Being positive always helps. Negative emotions only lead to negativity around and trigger conflicts and misunderstandings among individuals. Fighting till date has never benefited anyone; it simply adds on to one's tensions and nullifies the effect of negotiation. Whenever you are going for any negotiation make sure you are not in a foul mood, otherwise you will definitely end up fighting with the other person. One should not let his emotions come in between negotiations. Avoid being partial. A deal is a deal whether it is with a friend or with a stranger. Don't ignore things just because you know the other person well. It is always better to be safe from the beginning than suffer later. Paper work is important and the documents must be signed in the presence of both the parties. Don't skip agreements if you are dealing with your friend. He will not feel bad; instead appreciate your professional approach. Don't mix your personal interests with your professional life. Negotiation is just a mere discussion to reach to a common solution, nothing more. Don't treat it as a battle field. Keep your emotions under control and just be normal.

4.3 Successful Negotiation

Negotiation is a technique employed to avoid conflicts and decide something which would benefit all. Individuals negotiate with each other and try to reach to a solution satisfying all. Negotiation is not possible unless and until individuals learn to compromise to some extent and stop finding faults in each other. Professionals must know how to negotiate well to successfully close deals, avoid conflicts, better relations among the employees and making the organization a better place to work. An individual spends his maximum time at his workplace and thus it is important that he is relaxed and tension free here for better concentration and output. If you do not agree with your team members, do not fight with them, it is always better to negotiate and find out a solution which would make you as well as them happy. One can't afford to have enemies in his organization, thus negotiation is really essential incorporates.

- Preparation - It is essential that an individual prepares well for negotiation. Remember if your company has chosen you for the negotiation with an external party; they must have noticed some spark in you. No way you can let them down and must try hard to live up to the expectations of your superiors as well as your organization. Accept the challenge willingly; don't accept anything out of fear. You will never be able to do anything great. Go through all the relevant details carefully. If you are not clear with anything, do clarify with your superiors beforehand rather than going for a negotiation with a doubt in your mind. If you yourself are not clear with the details and facts, you would never be able to convince the other party.
- Stay alert - Keep your eyes and ears open during negotiation. Remember the other party would try hard to convince you and impose their decisions on you. You don't have to fall a prey to the other party. If you are not in a mood to negotiate, it is always better to postpone it rather than messing up things.
- Confidence - Confidence is the key to an effective negotiation. A professional needs to be confident enough to make his points clear in front of the other party. The other person can ask you anything and you can't afford to be nervous in front of him. Be intelligent enough to answer all his questions. A confident person always leaves his impression on others and people look up to him.

- Be cautious - Be very careful with your paper work. Study the papers carefully and do take all the necessary documents along with you when you are going for any negotiation. Prepare the necessary agreements and contracts well in advance and leave space for the terms and conditions as well as signatures of both the parties. These formalities ought to be done once the negotiation is complete.
- Avoid delays - One should always reach for business meetings on time. Don't keep the other party waiting. If the time for the negotiation is 10 am make sure that you are there at 9.45 am. Time is precious for everyone and one should make the best use of it.
- Understand the other person well - For an effective negotiation, it is important that you understand the needs and expectations of the other person as well. It is natural to be more concerned for one's own things, but one must not also ignore the other person's interests as well. Remember he has also come for business. It is important that both the parties are involved in a healthy discussion on an open forum and evaluate the pros and cons of the plans carefully to decide something which would be beneficial to all. Never underestimate anyone. Make sure that everyone is happy after the negotiation. No one should complain.
- Don't cheat anyone - One should be honest during negotiation. One should speak only when he is sure about it. Don't depend on guess works or assumptions. They don't work in professional scenarios. It is unethical to fake things or manipulate truth. One should be honest in his dealings for a fair negotiation and to avoid confusions later. You will not gain much out of lies and dishonesty.
- Always have an alternate plan with you - If your plan A fails, make sure you are ready to present your plan B. An option is important. You should not rely on a single plan. You never know which plan would click with others.
- One must know the purpose of negotiation - Why do you think you need the negotiation? One should be clear about his expectations from the negotiation. The agenda of the negotiation must be clear. Make sure you have realistic expectations. Don't ask for something which would incur a loss to the other party. Please don't expect impossible things to happen.
- Don't get too involved in the negotiation - Do learn to keep a control on your emotions. One should not take any decision out of emotion. Don't tend to ignore things just because you are dealing with your friend. Professional life must be kept separate from your personal interests. Give more priority to your work.
- Maintain the decorum of the place - Don't use foul words or abusive language against anyone. Never insult anyone. If the second party is not convinced, discuss with him but never stoop to derogatory acts. That is absolutely unacceptable.
- Be a good communicator - Clarity in thoughts is important and ideas must be communicated clearly to the other person. Don't try to confuse others. Make sure you don't adopt a casual approach. Use relevant words. Add professional jargons and corporate terminologies in your speech. One should be careful about his pitch and tone as well. Pitch should neither be too high nor too low. It must be audible to everyone.
- Be patient - Negotiation needs time and one ought to be patient enough to interact, understand the second party and make his points clear. Don't try to wind up the negotiation quickly. Never impose your decisions on others or rush for conclusions.

- Don't drag the conversation too long - Once the conclusion is reached, it's better to close the deal. Don't wait for some more miracles to happen. Make sure you don't make the negotiation too monotonous otherwise the parties will lose interest in the discussion. The discussion should be interesting and everyone should participate in it. Express your opinions at the time of discussion, rather than cribbing later.
- One should not act pricy or pretend things - Be yourself and try to react in a normal way. Don't be rude to anyone. Be at ease and things will automatically fall in place. One should be comfortable with the second party for a better negotiation. No one would hang you if you are unable to close the deal, so avoid fighting with anyone unnecessarily. It's better to ignore minor things. Don't make issues out of petty things. One should learn to compromise sometimes and strive hard to come to a conclusion.
- Chose a proper room for business negotiations - A conference room, a meeting room or probably the board room is the ideal choice. Opt for a noise free place. Don't make the discussion too formal. You can order some snacks as well. Always carry a pen and a notepad to jot down important points for future reference. If you have to deliver any presentation, make sure it is properly downloaded in your laptop. Do check once before going for the negotiation. It might embarrass you in front of others. Dress appropriately for the deal. Prefer formals for the desired impact.

4.4 Salary Negotiation

The discussion among individuals to find out an alternative best suited to all is termed as negotiation. It's always better to sit and discuss things face to face and reach to a conclusion satisfying all, rather than fighting and cribbing. One needs negotiation everywhere. Negotiation is the most required when it comes to deciding the salary of an individual. How will you feel if you are underpaid? An individual if is not paid as per his calibre will never find his work interesting and there is no way he can be motivated. Monetary factor is one of the most important factors to decide the performance of an individual at the work place. Salaries must be justified to extract the best out of the employees and for them to develop interest in work and strive hard to achieve the goals of the organization. If they themselves are not well paid, they would not bother to generate revenues for the organization.

Let us go through some important tips an individual should keep in mind during salary negotiation: Always remember that the organization also needs you as much as you need the job. There is always a dearth of talented people. The organizations are also in search of best talents and if you have the calibre and skills, you will definitely be paid a handsome salary. If you have reached the salary negotiation round, which in all probable cases is the last round, the company officials must have seen a spark in you. No need to panic or get nervous. Just be yourself and relax.

Take care of your posture as well. Sit straight and make an eye contact with the person sitting on the other side of the table. Look confident and smart. Go well prepared before the salary negotiation round. If possible, try to find out the current market trend and also the salary structure of the organization you have applied for. Find out how much salary the organization offers to its employees at the level you have applied for. One gets a salary hike on his current salary. Be honest about your current salary. Don't lie or fake things as it might land you in trouble later. There are some organizations that do go for salary verification and you might be caught. You will get what you deserve, nothing more, and nothing less

Be very clear in your mind about your salary expectations. Ask yourself do you deserve this salary? If yes go for it. Be firm and do not change figures frequently. It sounds fishy. One should know how to justify his salary. If you are quoting any figure, make sure you have valid reasons to support that. Be very specific as to why the organization should pay you that much? Don't assume that you will just cook stories and the HR would trust you. Be specific and clear in your communication. Don't try to confuse the other person.

Quote a realistic figure. Don't ask for anything which is unrealistic or exceptionally too high. Salaries are decided on your current salary, your educational qualifications, your level in the team hierarchy and organization's budget. Do keep in mind all these factors before asking for a salary.

Be very polite. Don't start fighting with others. After all money is not the only deciding factor. One's designation, the brand value of the organization, the roles and responsibilities are also important. Don't just run after money.

When the other person asks for your salary expectations, quote a figure higher than what you expect. It is a thumb rule that whatever you ask, the organization would definitely offer you less. Discuss with him and make him understand why you have asked for a particular figure. Try to convince him why you need the hike? Give him sensible and valid reasons.

Never show your desperation to anyone. Don't make it obvious that you need the job at any cost. Remember the organization is not doing any favour to you. They will make you work also once you join the firm. Don't beg for your salary. It's your right.

If you find the salary offered by the organization is not meeting your expectations, it's better to quit on a positive note rather than arguing and fighting. One should never spoil his relations with anyone. You might need them later. If you are not happy, walk away gracefully. If you are comfortable with the salary, do accept it, sign an acceptance letter and confirm your joining date and gear up to give your level best to the organization and stand apart from the crowd.

5.0 CONCLUSION

Effective communication is important in salary negotiations as well. Express your salary expectations clearly in front of the recruiter. If you want your salary to be more than what he has quoted, mention it very clearly but politely. Try your level best to convince the recruiter why you need salary hike and probably how will you justify it once you join the organization. There is nothing to be afraid of; even the organization needs talented people like you. Learn to be a bit tactful. Your style, your accent, your pronunciations are also important. Do lay emphasis on words that you feel are important. If you are not satisfied with the offer, it's better to decline it but in a very polite way. Remember we all belong to good families and must behave like educated and cultured people.

An effective communication is of prime importance in business deals also. The terms and conditions must be mentioned clearly for better transparency and don't try to hide anything from the second party. It's always better to depend on written modes of communication like emails, letters, documents or agreements for better reliability. Use corporate terminologies, professional jargons and never use irrelevant statements in your speech. It is considered highly unprofessional. One should also be very careful with his pitch and tone. Always remember battles can be won just by being decent and polite. Don't be rude and harsh on others. Speak slowly and convincingly in a tone audible to one and all. Do not speak either too fast or too slow. The other person must understand your speech. Never be loud or shout on anyone. It's unethical to speak ill or insult anyone just for a deal. Relationships are more important and must be valued.

Non-verbal communication also plays an important role in an effective negotiation. Our facial expressions hand movements, posture matter a lot and must never be ignored. Don't express your helplessness to anyone. You might need the job badly but don't let the other person know about it. Be very confident and show a positive attitude. Whenever you are going for a negotiation, don't forget to carry your smile. Flash your million-dollar smile but don't laugh unnecessarily or crack silly jokes in between. Exchange greetings and compliments to break the ice. Sit straight, don't lean on the chair and do make an eye contact with the person sitting on the other side of the table. It shows your confidence and strong will power. Don't play with things kept on the table. Concentrate on the negotiation and don't look here and there.

Negotiation is no rocket science. You just have to be very clear about your expectations and interests; express the same clearly, convince the other party and come to something acceptable to both. Don't speak anything which might hurt the other person. Be very polite in your speech, involve everyone in the discussion and decide in the favour of all the participants for an effective negotiation.

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