

TECHNIQUES TO SUCCESSFUL NEGOTIATION

Introduction

In the today's workplace environment characterised by profit maximization, exploitations and gimmicks as rooted in the capitalist system, every worker or representatives in terms of Unions or Associations must negotiate towards achieving appropriate or commensurable wages and other accompanying benefits. In-a-nutshell, a worker must negotiate to survive.

The ability to negotiate effectively across a wide-range of business contexts is a core leadership capability. While most executives acquire some negotiation skills on the job, taking them to the next level requires additional training. At Petroleum and Natural Gas Senior Staff Association (PENGASSAN), our purpose is exactly that, to transform good negotiators into greater ones.

A case in point is in the area of conflicts negotiations where emotions are inevitable. Whether you are thrashing out a labour contract, buying a new home, negotiating a multibillion-naira acquisition, or mediating peace with contending parties, emotions play a dominant role. If unchecked, emotions can turn productive negotiations into unprofitable disasters.

However, if properly managed, they can serve as a lever for creating greater value, exerting more control, and achieving better outcomes. Some negotiations go smoothly, while others seem completely hopeless, with escalating conflict, increasingly aggressive behavior, and neither side willing to back down. Yet no matter how high the stakes or how protracted the dispute, even the most explosive situations can be defused. When handled effectively, even the worst conflicts have potential solutions.

PENGASSAN negotiating team is the most obvious example of a negotiating coalition, because when a company negotiates with an employee individually, it could threaten to hire someone else in the face of the employee's demands. By contrast, when employees bargain collectively through the Association, they avoid the need to compete against one another, at least on certain issues, and typically achieve a more competitive compensation and benefits package than they would have negotiated on their own.

NEGOTIATION

Many people dread negotiation, not recognizing that they negotiate on a regular, even daily basis. Most of us face formal negotiations throughout our personal and professional lives: discussing the terms of a job offer with a recruiter, haggling over the price of a new car, hammering out a contract with a supplier.

Negotiation is a specialised and formal version of conflict resolution frequently employed when important issues must be agreed upon. It is needed when one party requires the other party's agreement to achieve its purpose. The objective of negotiating is to build a communal atmosphere leading to long-term trust and often involves a third, neutral party to extract the issues from the emotions and keep the individuals concerned focused. It is a dominant method for resolving conflict and requires **expertise** and **understanding**.

Zartman defines negotiation as "a process of combining conflicting positions into a common position under a decision rule of unanimity, a phenomenon in which the outcome is determined by the process." Druckman (1986) adds that negotiations pass through stages that consist of agenda setting, a search for guiding principles, defining the issues, bargaining for favorable concession exchanges, and a search for implementing details. Transitions between stages are referred to as turning points.

Most theories of negotiations share the notion of negotiations as a process, but they differ in their description of the process.

Structural, strategic and procedural analysis build on rational actors, who are able to prioritize clear goals, are able to make trade-offs between conflicting values, are consistent in their behavioral pattern, and are able to take uncertainty into account.

Negotiations differ from mere coercion, in that negotiating parties have the theoretic possibility to withdraw from negotiations. It is easier to study bilateral negotiations, as opposed to multilateral negotiations. Even under '**Bad faith**' (a concept in negotiation theory whereby parties pretend to reason to reach settlement, but have no intention to do so), for example, one party may pretend to negotiate, with no intention to compromise, for political effect, employers and employees must negotiate.

THEORIES

Among various behavioral theories generally believed and embraced the world over are those of Frederick Herzberg and Abraham Maslow. Herzberg, a psychologist, proposed a theory about job factors that motivate employees. While, Maslow, a behavioral scientist and contemporary of Herzberg's, developed a theory about the rank and satisfaction of various human needs and how people pursue these needs. These theories are widely cited in the business literature.

Herzberg (1959) constructed a two-dimensional paradigm of factors affecting people's attitudes about work. He concluded that such factors as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors rather than motivators.

According to the theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. In contrast, he determined from the data that the motivators were elements that enriched a person's job; he found five factors in particular that were strong determiners of job satisfaction: achievement, recognition, the work itself, responsibility, and advancement.

These motivators were associated with long-term positive effects in job performance while the hygiene factors consistently produced only short-term changes in job attitudes and performance, which quickly fell back to its previous level.

Traditional Negotiation Format

1. The Teams

A. No party should dictate to the other who to include or exclude from their respective teams. Though they may agree to limit the number of bargaining team members.

B. The brokering teams are expected to have mandate to enter into tentative agreements on all negotiating contract proposals.

C. The establishment's team should not include a majority of the members of the management so that a commitment to an issue cannot be immediately made at the table. If a senior management is present, the union will put intense pressure on him to commit to a demand.

D. The employer's team should include an administrator who is familiar with the day-to-day operation of the public service rules so that if the union asserts that there are operational problems, the employer's team will have reliable information available to them.

E. Unions sometimes portray the chief administrator as the spoiler, that there is a rallying point for the membership. Under such circumstances, it is appropriate not to have him at the table. It also may be advantageous not to have the chief administrator at the table so that the team can take issues back to the administrator for review.

F. The team should select a spokesperson so that statements made at the table are clear and consistent.

2. The Rules

The parties may agree to the establishment of ground rules which will govern the bargaining. The rules may include such items as: 1) no discussion with the media (usually at least until mediation has been invoked); 2) time limit on meetings; and structure of the proposals. Ground rules are not always necessary or desirable. The parties may mutually agree to dispense with or relax them from time to time.

3. The First Proposal

a. The first proposal at the table should come from the union.

b. The employer may wish to base its response on the extent and complexity of the union's proposal.

c. The employer should insist on receiving a complete proposal from the union so that it will not bargain in a piecemeal fashion.

4. Responses

a. The employer, as a first response, may not propose "a take it or leave it proposal".

b. The employer is not required to accept any proposal made by the union.

5. Strategic Considerations

- a. Use the bargaining table to solve problems. Have the union explain its proposals (be prepared to explain the employer's). Some issues may be generated by specific administrative problems which may be resolved away from the table, with no change in the contract.
- b. When proposing a change, make the new language appear to be as similar to the existing language as possible. Unions, and their members, resist drastic changes to existing language as a matter of course.

WHAT TO EXPECT

The following five analytic challenges are associated with virtually any negotiation campaign:

1. Envision the ultimate target deal.

What is the ultimate target deal, and which parties must support it? Does lasting success require a larger coalition of support?

2. Identify key parties.

Mapping backward from the ultimate target deal, what internal and external parties must or might be involved? Which could possibly play a role in various supporting negotiations?

3. Identify fronts.

On what bases can these parties be grouped into a manageable number of fronts—for example, into shared industries, cultures, or interests?

4. Assess any interdependencies among fronts.

Are the fronts largely independent, or can they affect one another, whether positively or negatively? Does progress (or lack thereof) in negotiations within one front change the odds of success for negotiations in other fronts? If so, how?

5. Prepare to negotiate among fronts.

How should the broader fronts be orchestrated so they come together to best set up the ultimate target deal? For example, should you negotiate sequentially or simultaneously, privately or very publicly?

Strategies for a Successful Salary Negotiation

1. Probe for signs of flexibility.

Often, by doing some research, you can uncover areas where potential employers may be flexible. For example, if you have special expertise or experience, you could ask your interviewers if you might qualify for a more senior position.

2. Take a long-term perspective.

Most candidates focus on salary, bonus potential, and other “year one” items, such as a signing bonus. But what happens after year one? With a little research, you can gain critical insights on future salary trends. For example, Company A’s N380, 000 salary might sound better than Company B’s offer of N370, 000; however, Company A only provides cost-of-living raises.

3. Create a scoring system.

The number of factors at stake in a job decision can be overwhelming: role, location, department, pay package, amount of travel required, and so on. So create a scoring system to determine which issues matter to you most.

4. Demonstrate flexibility.

Organizations are often hamstrung by policies and procedures, so consider negotiating on issues beyond simply your base pay. For example, consider a signing bonus, year-end bonus, vacation time, or educational-loan repayment.

5. Negotiate for your happiness.

A well-padded paycheck will put a bounce in your step, but unless the job brings intrinsic pleasure, the glow will inevitably wear off. So take the time to fully understand how you'll spend your day and who you'll spend it with. Plus, remember to probe the political environment by asking what happened to your predecessor.

6. Negotiate for your long-term success.

The job one is applying for is not always the final job. So be sure to negotiate for the tools you need to grow such as resources, a strong support staff, advanced education, and an appropriate title.

7. Negotiate for pay.

Try to figure out what pay category someone with your education and experience would receive, and then build a case for a salary at the high end of that range. Make a "non-offer offer" by saying something like ***"Correct me if I'm wrong, but I've heard that people like me typically earn \$80,000 to \$90,000."*** Realize That Pay is Only Part of the Equation.

8. How do salary conversations impact morale?

Employers have long believed that open discussion of salaries can create problems in the workplace. Because of our innate desire for fairness, knowledge of pay differences can reduce morale and productivity.

9. How should employees approach possible pay discrepancies?

First, consider possible explanations for pay discrepancies that you might have overlooked, such as whether similar-seeming colleagues have stronger credentials, greater seniority, or longer work hours. If you do find solid evidence that you are underpaid, present your employer with the facts as you see them, being careful to stress that you believe any discrepancy is unintentional.

10. How do employers foster fairness?

Some employers rely on elaborate job grade systems that divide employees into levels with set salaries. While these clear guidelines may seem rigid, they can improve the odds that employees will feel fairly treated relative to others at their level. Other employers are embracing complete pay transparency in the hopes that employees are more efficient when they are not trying to guess how much their colleagues are earning.

Our team of Negotiators at PENGASSAN includes:

1. Com. Lumumba Okugbawa, a seasoned Industrial Relations expert and administrator who has transverse many sectors of the economy. He is also the General Secretary of the Association.

2. Com. Ndukaku Ohaeri, a foremost trade unionist with vast experience in oil and gas laws and the National Industrial Relations Officer plays a pivotal role on the team.

3. Com. Joseph Oshiokpekhai, a former lecturer, is a Deputy General Secretary and head of Finance and Administration.

4. Com(Bar) Ngozi Okagbue, a member of the Nigeria Bar Association and Deputy General Secretary in charge of Industrial Relations (IR). She is widely experienced in the fields of public international law and the morality of war.

5. Com. S. K. Quadri, has years of experience in Industrial Relations. He is also a Senior Assistant General Secretary.

6. Com. Chris Odin, is a Principal Organising Secretary and a go-getter in the acts of negotiation.

Also part of the team at the zonal levels are the Zonal Chairmen and Secretaries

Our accomplished team has developed the negotiation strategies used by many of our branches and units and also successfully won negotiations. Why would you not want to equip yourself with their expert advice, secrets, and fail-proof tips?

Jerry Amah,

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