

2023

Negotiation Skills

Report



National School of Public Policy
Shahrah-e-Quaid-e-Azam
Lahore, Pakistan

Table of Contents



01.

Understanding Negotiations

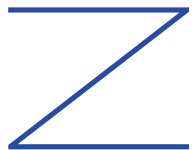
Mr. Ahmad Nazir Warraich



02.

Role of Effective Communication in Negotiations

Prof .Dr. Saad B. Malik



03.

Managing and Resolving Conflict through Negotiations

Mr. Shahzada Sultan



04.

Negotiation Skills - Case Study

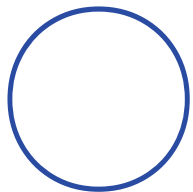
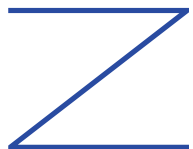
Mr. Amir Zahoor Khan



05.

Multilateral Negotiations

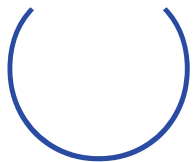
Dr. Muhammad Irfan



06.

Strategies in Negotiation and Ethics

Dr. Athar Mansoor



07.

Business Negotiations from a Business Perspective

Mr. Muhammad Abid Hussain

08.

Negotiations Skills - Case Study

Mr. Faisal Farid

WELCOME ADDRESS AND INTRODUCTION TO THE COURSE

NEGOTIATION

The **National School of Public Policy** is the premier national institution for the training of civil servants in Pakistan. The training methodology of the School aims at fostering an environment of intellectual freedom amongst participants for investigative analysis, a spirit of rational inquiry, and a genuine desire to seek knowledge. The overarching aim of the NSPP is to improve the quality and effectiveness of public policy, its implementation and the provision of executive education through policy dialogues and trainings.

The **Executive Development Institute** is an integral unit of the NSPP, which is engaged in continuous professional development of executives, officers of the public and private sector, as well as professionals from the civil society including academia, through training sessions, workshops, policy dialogues, and Webinars. EDI holds all activities on current issues of national importance. As the Institute is placed in the premier civil training institute, NSPP, of the Government of Pakistan, EDI is in a unique position for bringing together leading experts from various fields as well as participants from diverse backgrounds.

In addition to continuous professional development, the focus of EDI is also on providing input on critical, current policy issues for promoting a better understanding of policy and governance issues. EDI recognises the need to continuously update skills and knowledge for improving public administration for better service delivery. It, therefore, tries to fill this gap through its training workshops as well as policy dialogues.

AN OVERVIEW OF TRAINING ON NEGOTIATION SKILLS

In keeping with its tradition of holding training workshops on issues of importance and relevance in areas in demand, the EDI recently held a Two Days' training programme on Negotiation Skills on 12th and 13th of September 2023

EDI designed the course in consultation with subject specialists and after a review of courses being offered in other institutions and in demand by various stakeholders. The speakers were specialists, academicians, trainers, and practitioners who led a highly interactive discourse, providing participants with a depth of information and understanding of the intricate subject matter.

The honourable Guest Speakers included Mr. Ahmad Nazir Warraich (Dean EDI), Prof .Dr. Saad B. Malik (Psychiatrist), Mr. Shahzada Sultan (Addl IG Ops, CPO), Mr. Amir Zahoor Khan (Negotiation Trainer), Dr. Muhammad Irfan (DG Trade Policy Ministry of Commerce), Dr. Athar Mansoor (Negotiation Trainer), Mr. Muhammad Abid Hussain Sabri (Ex. Executive Dir. PIM), and Mr. Faisal Farid (Founder & Managing Director, Maxim Agri (Pvt) Limited, Former Head West Asia Pepsi Co International).

EDI aims to have diverse group of participants to facilitate maximum cross-sectoral learning. The participants joined from public, private and social sectors representing the Federal Government, Provincial Government of Punjab, Balochistan, and Gilgit Baltistan, Military Land and Cantonments, Civil Aviation Authority, Pakistan Mint, Punjab Council of the Arts, WAPDA, SNGPL, The Urban Unit, as well as executives from Descon, NESPAK, and academicians from Punjab University, GC University, and Lahore Garrison University amongst others. This ensured a vibrant cross-sectoral participation and discussion during the training workshop.

The areas covered during the training included; Types and Elements of Negotiations, Role of Effective Communication in Negotiations, Managing and Resolving Conflict through Negotiations, Multilateral Negotiations, Strategies in Negotiation and Ethics, and Business Negotiations from a Business Perspective.

OVERVIEW OF THE SESSIONS

01

Understanding Negotiations

Mr. Ahmad Nazir Warraich

Mr. Warraich began by explaining that negotiation is an inevitable part of life and has the potential to lead to positive change if handled properly. Rather than viewing negotiation as adversarial battling, he advocated transforming conflicts through integrative, problem-solving negotiation that focuses on creating value rather than just claiming it.

There are two main frameworks or models of negotiation discussed. The first is distributive or adversarial negotiation, which operates under a fixed pie assumption and involves making extreme opening demands, bargaining through concessions, and using manipulative tactics and arguments to claim as much value as possible. This win-lose dynamic aims to maximize one's own share at the expense of the other side.

The second model is integrative or collaborative negotiation, which focuses on expanding the pie before dividing it. This involves jointly exploring underlying interests, generating creative options that satisfy mutual interests, and developing optimal solutions that provide maximum joint gain. The win-win dynamic aims to build value rather than just claim it.

He explained key elements of effective principled negotiation. These include separating people from the problem rather than taking positions personally, focusing on interests over demands, inventing options for mutual gain, using objective criteria to support proposals, developing alternatives to a negotiated agreement, making contingent and trust-building commitments, actively listening and communicating to be understood, and explicitly acknowledging emotions.

Barriers to reaching agreements are also discussed, including cognitive biases like anchoring and loss aversion, as well as premature judgement, fixed pie assumptions, and adversarial negotiation tactics.

Careful negotiation planning is emphasized, including defining issues, interests, limits and alternatives; analysing the other party; considering constituents and social context; planning strategies and protocols; and examining long-term implications of potential agreements.

Mr. Warraich advocated using an integrative, principled negotiation approach focused on creating value, satisfying mutual interests, developing optimal solutions, and building relationships - rather than an adversarial approach of simply claiming value. Planning, communication, and cognitive flexibility are presented as key elements of effective negotiation.

The Speaker started by defining communication as conveying feelings, ideas, and wishes between people in a way that is truly understood. He outlined three levels of communication: I-It, I-You, and I-Thou.

The Speaker discussed various types of communication, categorizing them as verbal (oral and written) and nonverbal. Nonverbal communication includes body language, appearance, touch, use of space, environment, para-language, and silence.

According to the Speaker, building rapport is key in negotiation and relies heavily on nonverbal cues like posture, eye contact, mirroring, and active listening. Active listening entails responding to content, acknowledging feelings, showing understanding, and encouraging disclosure.

The Speaker emphasized the importance of persuasive communication in negotiation. Techniques include appealing to the other party's interests, issuing challenges, invoking their reputation, giving suggestions over orders, recognizing their skills, and helping them save face.

Additionally, the Speaker noted that we have two ears and one mouth so that we may listen more and speak less. He stressed avoiding assumptions and the "logic bubble" mindset. Asking questions is a powerful communication tool in negotiation.

03 Managing and Resolving Conflict through Negotiations

Mr. Shahzada Sultan

The Speaker began by explaining that conflict involves a clash of interests, opinions or values between people or groups. Elements underlying conflict include differing interests, alternatives, and irrational emotions. Negotiation is a key method for resolving conflicts, along with litigation, arbitration, and mediation.

The Speaker defined negotiation as a back-and-forth communication process aimed at reaching agreement between parties with shared and opposed interests. Negotiation is an interpersonal decision-making process used when objectives cannot be achieved unilaterally.

The Speaker highlighted seven key elements in negotiation: interests, legitimacy, relationships, alternatives/BATNAs, options, commitments, and communication. Useful conflict negotiation tools include active listening, thinking before reacting, attacking the problem not the person, analysing what happened, accepting responsibility, using objective language, identifying common interests, focusing on the future, and applying the principle of fairness.

Finally, the Speaker shared his experience that police officers frequently have to negotiate during hostage situations, barricade scenarios, and other high-tension conflicts. Police negotiators are trained to actively listen, build rapport, remain calm, and avoid escalating the situation. Their goal is a peaceful resolution protecting all lives. Good police negotiators exemplify many of the conflict resolution skills covered in the presentation.

04

Negotiation Skills - Case Study

Mr. Amir Zahoor Khan

The Speaker began by explaining that negotiation is inevitable in both professional and personal life, with managers spending up to 50% of their time negotiating. Negotiation is necessary to resolve conflicts, gain favourable outcomes, and reach mutually agreeable solutions between interdependent parties.

The Speaker outlined different types of negotiation, including competitive (maximizing own interests) and collaborative (meeting all parties' needs). There are distinct phases of negotiation - preparation, setting the agenda, interaction, and summarizing agreements. The choice of negotiation strategy depends on the importance placed on outcomes versus relationships.

The Speaker emphasized that effective negotiation requires situational knowledge, clear BATNAs, an understanding of the zone of possible agreement, adaptable strategies and tactics, and strong interpersonal skills. Cognitive biases, premature judgement, and "reactive devaluation" can pose barriers to reaching agreements. Careful planning and analysis of issues, interests, alternatives, and the other party is key.

According to the Speaker, principled negotiation focuses on reconciling interests, inventing creative options, and using objective criteria to achieve "wise" agreements. Communication, rapport-building, and managing emotions are also crucially important. With international negotiations, differences in culture, communication styles, values, and thinking must be addressed.

The Speaker provided tips for procurement negotiation success, noting the importance of preparation, defining ground rules, persuasion skills, analysis, patience and effective communication. Common negotiation errors highlighted included unclear objectives, insufficient planning, and poor sense of timing. Checklists can help avoid poor negotiation practices.

05 Multilateral Negotiations

Dr. Muhammad Irfan

The Speaker started by defining multilateral negotiations as processes involving three or more parties, usually states, designed to achieve agreement on complex, cross-cutting issues. He explained multilateralism emerged after World War II to promote international cooperation.

The World Trade Organization (WTO) was highlighted as a key multilateral institution established to govern trade relations. The Speaker outlined WTO's history, tracing it back to the GATT agreement of 1947. Its core functions include implementing and creating trade rules, monitoring policies, settling disputes, and providing technical assistance. According to the Speaker, trade negotiations at the WTO have unique features like consensus-based decisions, non-discrimination principles, and special treatment flexibilities for developing countries. The WTO's binding rules deeply impact policy space for generations.

Examples of WTO negotiations were provided, including ongoing disputes over the Appellate Body appointments and failures to deliver a pandemic response supporting developing countries. The Speaker emphasized the lessons learned - the need for coalition-building, strategic timing, extensive preparation, and protecting national interests.

The Speaker portrayed multilateral trade negotiations as complex processes requiring homework, coordination, firm stances, and principled stand to achieve outcomes in the national interest. Opaque processes must be illuminated. No deal is better than a bad deal.

The Speaker began by outlining two key dilemmas in negotiation - the dilemma of honesty in how much truth to reveal, and the dilemma of trust in how much to believe the other party. He emphasized the importance of aligning perceptions between parties.

Two main approaches were compared - distributive bargaining to claim value for yourself, and integrative negotiation to create value for both sides. The Speaker noted most negotiations involve both elements, so versatility is key. He warned that negotiators often see situations as more distributive than integrative.

Examples of creating value by leveraging differences in interests, views of the future, risk tolerance, and time preference were provided. However, unethical tactics like deception, intimidation, and aggression were cautioned against.

The Speaker advised watching for red flags like lack of transparency, withholding information, vague language, and last-minute changes. Confronting unethical behavior directly was recommended, along with consulting experts. If it persists, withdrawing from or taking legal action in negotiations may be necessary.

The Speaker began by outlining different negotiation strategies - accommodating, collaborative, compromising, avoiding, and competitive - based on the importance placed on outcomes versus relationships. The concept of a bargaining zone representing the overlap between parties' reservation points was explained.

Key principles for principled negotiation were highlighted - separating people from problems, focusing on interests over positions, inventing options for mutual gain, and using objective criteria. Common negotiation mistakes like lack of preparation and poor listening were noted.

For international business negotiations, the Speaker emphasized the importance of building relationships and respecting local cultural nuances in areas like hierarchy, indirect communication, face-saving, and decision-making norms. Thorough preparation, win-win thinking, and patience were advised.

The Speaker provided examples of strategic negotiations between companies in Pakistan, illustrating complex discussions involved on issues like asset valuation, market share, and partnership terms to reach mutually beneficial agreements.

The Speaker portrayed negotiation as an inevitable part of business, requiring strategies tailored to context and culture. Thoughtful preparation, active listening, principled approaches, and respect for stakeholders promote effective negotiations and outcomes.

The Speaker began with an overview of key negotiations he has conducted throughout his career. He then outlined the learning goals for the session - to understand negotiation frameworks, tools, and dynamics through case studies.

Seven principles from Sun Tzu's "The Art of War" were highlighted as applicable to negotiations, including choosing your battles wisely, proper timing, knowing yourself and the other party, having a unique plan, disguising your plan, avoiding prolonged disputes, and building on success.

The Speaker emphasized critical concepts like BATNA (best alternative to a negotiated agreement), reservation value, and ZOPA (zone of possible agreement). He warned against common mistakes like making the first offer from a weak position, talking more than listening, and miscalculating the ZOPA.

Strategies discussed included claiming value through leverage, creating value by exploring interests, and investigating value by asking "why" questions. Psychology and irrational biases were noted as challenges negotiators face. Confronting deception, managing emotions, and pre-empting lies were covered as well.

In his session, the Speaker advocated thorough preparation, analysing priorities, developing a strategy, calculating a walkaway point, creativity in packaging issues, and patience in bargaining as keys to successful negotiation. Avoiding biases and confronting dishonesty were emphasized. The ultimate goal is reaching a wise agreement meeting both parties' core interests.

CONCLUSION

This comprehensive training workshop on Negotiations has provided valuable insights into various aspects of negotiation, highlighting the importance of understanding different types of negotiations, such as distributive and integrative approaches, as well as key elements like BATNA, WATNA, and goals. The Speakers emphasized the transformational potential of negotiation as a means to create value, build relationships, and achieve mutually beneficial outcomes. Effective communication, both verbal and nonverbal, emerged as a critical factor in negotiation success, with a focus on active listening and building rapport. Conflict resolution through negotiation was discussed, underscoring the significance of understanding interests, relationships, alternatives, and communication. Additionally, multilateral negotiations, such as those at the WTO, were explored, shedding light on the complexities and strategies involved. Ethics in negotiation were addressed, advocating for transparency and principled stands while cautioning against unethical tactics. Lastly, the talk stressed the importance of thorough preparation, strategic planning, and patience in achieving successful negotiations, ultimately aiming for wise agreements that serve the interests of all parties involved.

The participants of the Negotiation Skills programme were professionals from diverse fields. They expressed their appreciation for organizers, speakers, and the content of the workshop. They commended the meticulous planning and flawless execution which made the learning experience seamless and productive. The course content was lauded for its depth, relevance, and practicality, making it an invaluable resource for their professional development. Many praised the interactive approach of the sessions which fostered active engagement and a deeper understanding of the subject matter. The active participation through question and answers of the participants made the session more interactive and this interaction added more value to the training program. The feedback underscored the effectiveness of the training, its transformative impact on their skills, and a strong desire for more of such enriching experiences in the future.

PHOTO GALLERY

