The Art of Negotiation
Strategies for Success

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Why negotiate?

**Financial cost**

- **Full time weekly average earnings**
  - Females $1061.50
  - Males $1282.50
  - Source: ABS

- **Super retirement payouts**
  - Females $73,000
  - Males $155,000
  - Source: Treasury

- **Super balances**
  - Females $18,500
  - Males $31,250
  - Source: ASFA


- **Professional cost**
  - Potential employers use your current remuneration as an indicator of your competence

  (Pinkley & Northcraft, 1998)

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*Recent Australian data (from AMP)*

Male earnings average more than $55,000 between 35 and 54 years while women average $38,000 in the same years.

Overall average personal savings are $132,200 for men and $79,100 for women.
Why don’t women negotiate?

- Should I negotiate?
- Why do I have to ask? 
  *Recognise my contributions*
- I don’t want a fight 
  *What about our relationship?*
- I want to get this over quickly 
  *when the going gets tough ...*
- Perhaps I’ll leave it

*(Babcock & Laschever, 2003; Gray, 1999; Kolb & Williams, 2003)*
Sugar Bowl Negotiation
Sugar Bowl Negotiation

- If you are the seller
  - What is the lowest price you would accept?
  - What is the price you are hoping to achieve?

- If you are the buyer
  - What is the highest price you are willing to pay?
  - What is the price you are hoping to pay?
Sugar Bowl Negotiation

- What challenges did you face in this negotiation?
  - What, if anything, encouraged you to keep negotiating for a better price?
  - What, if anything, discouraged you from continuing the negotiation?

- How much like your day-to-day negotiations were your experiences in this negotiation?
  - In your organisational lives, what encourages or discourages you from negotiating for better outcomes?
Becoming a more effective negotiator
Decision Points in Negotiation

Pre-Negotiation

Should I negotiate?
Women are less likely to initiate a negotiation

Planning

What do I want?
Women set lower targets

Strategising

Should I continue?
Women are less likely to persist in tough negotiations

Closing

Should I stop?
Women are more likely to accept the first offer
Get the basics right

- Don’t surprise the other negotiator
  - Signal your intention to negotiate
  - Frame the process as ‘problem-solving’

- Understand your value
  - Gather information broadly, know industry norms
  - Focus on all possible benefits
  - Set high (aspirational) targets

- Build a compelling case
  - Use a small number of strong arguments

- Know your power and manage the end-game
  - Develop alternatives
  - Do not accept the first offer
Push through moments of adversity

- move
- counter-move
- turn the negotiation
- restorative turn
- participative turn

Kolb, 2004
Recognise the moves ...

challenge competence
  demean ideas
  criticise style

attacks your
  -expertise
  -ideas
  -behaviour

make threats

asserts power

appeal to sympathy

silences you
... and turn them

restorative
- correct
- name

participative
- divert
- interrupt
- question

provide an alternative interpretation of events
label the behaviour

shift focus back to problem
disrupt rhythm
suggest other’s behaviour is puzzling
How does that work?

**criticise style**

“You’re overreacting. Why don’t you calm down?”

**countermove**

“No I’m not!”

**correct the move**

“This is a serious issue. The consequences are significant. I care a lot about what happens”

**divert**

“Why don’t we get back to finding a solution?”
The Catch-22 for women

Sugar ‘n’ spice and all things nice
When women negotiate ...

- Women receive less generous offers than men

- Women are “punished” women for asking
  - Erodes their ability to influence
  - Erodes their future relationships and outcomes

- These effects stem from the different expectations about how men and women ‘should’ behave
  - stereotypes and first impressions
"In a broad sense, women’s economic performance in negotiations hinges on their ability to harness gender stereotypes in a self-serving direction"

*Kray & Thompson, 2005*
Social stereotypes in negotiation

Competent

Likeable

Low

High

accommodating
emotional

assertive
rational

competent
Counteract Expectancy Violations

“I’m not being pushy ...”

**Individual Actions**
- **Anticipatory impression management**
  - “I’m going to have to approach this differently, because you are being really tough”
- **Prescriptive attributions**
  - “I’m only asking for what our professional association says is a fair rate”

**Organizational Actions**
- Establish “zones of negotiability”
- Establish conditions required to negotiate employment terms

“I’m still likeable ....”

**Individual Actions**
- **Use influence tactics that convey likeability and neediness**
  - “Maybe you can help me...”
- **Use inclusive language**
  - “I really hope we can find a solution that works for both of us”
- **Use turns rather than moves**
  - “I’m a little puzzled...let’s take a step back”

**Organizational Actions**
- Actively prime female gender stereotypes
- Regenerate stereotypes to include feminine attributes