NEGOTIATING CONFLICT

Labor and Management Collaboration
MAXIM CONSULTING GROUP

Management Consulting
- Strategic Planning
- Operational Excellence
- Technology Integration
- Training & Development

Lean Transformations
- Supply Chain Management
- Design Standards
- Enterprise Scheduling
- Process Standardization

Peer Groups
- Electrical
- Mechanical
- Fire Protection
- General Contractor
- Heavy Civil
- Utility

Corporate Finance Advisory
- Mergers & Acquisitions Advisory
- Equity & Debt Financing
- Ownership Transition
- Management Succession
- Captive Insurance
• Evaluate the emotional challenges that prevent successful negotiations
• Discuss the steps necessary to achieve collaborative outcomes in negotiations
• Define the communication skills necessary to de-escalate conflict
• Show the difference between compromise and collaboration
COMMUNICATION GONE WRONG

Messages

Dad

Your mom and I are going to divorce next month

what??? why! call me please?

I wrote Disney and this phone changed it. We are going to Disney.

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CHALLENGES IN NEGOTIATIONS

Identifying the Roadblocks to Success
WHY ARE NEGOTIATIONS SO DIFFICULT?
WHY NEGOTIATIONS FAIL

- Lack of Adequate Preparation
- Lack of Trust - Did Not Build Rapport
- Motivation of the Other Party was Misread or Lacking
- Emotional Involvement or Conflicting Personalities
- Fear of Leaving Something on the Table
- Lack of Leverage to Move the Transaction Along
WHY NEGOTIATIONS FAIL

• Real Issues Were Not Communicated or Understood
• Decision Makers Not at the Table
• Wrong Approach or Tactics were Transparent
• Deal is No Longer a “Good” Deal
• Lack of Ground Rules
• Lack of Documented Confirmation
BARRIERS TO PROBLEM SOLVING

• Failure to recognize the problem – not sure what the problem is
• Conceiving the problem too narrowly, not sure what is happening
• Making a hasty choice, not sure what you want
• Failure to consider the feasibility of the solution
• Failure to consider all the consequences, not enough resources
• Failure to know how to communicate what is possible
• Failure to define what YOU did that was responsible for your success
• Attitudes like complacency, ridiculing others ideas, lack of accountability, dysfunctions, fear of change, lack of trust and doubts
EMOTIONAL INVOLVEMENT

- Ego
- Loyalty
- Status
- Greed
SUCCESSFUL NEGOTIATIONS

The Four Keys
NEGOTIATIONS 101

- “Back and forth communication to reach agreement when some interests are shared and some interests are opposed.”
- Roger Fisher & William Ury, *Getting to Yes*
- Negotiation is HUMAN INTERACTION
FOUR STEPS FOR SUCCESSFUL NEGOTIATIONS

1. Preparation
2. Information Exchange
3. Proposing & Concessions
4. Commitment
How do we treat people with a:

- High D (dominance)
- High I (influence)
- High S (steadiness)
- High C (conscientiousness)
PREPARATION

• Know your BATNA
  • Best Alternative To a Negotiated Agreement

• Frame the first 3 minutes of the conversation
  • Prepare for it before the call/meeting and use the time to de-escalate the issue
Most people do not listen with the intent to understand.

They listen with the intent to reply.
PROPOSING AND CONCESSIONS

- Define your minimum requirements
- Listen
- Keep track of the issues requiring discussion
- Assert your needs constructively
- Commit to a solution that works for both parties
- Save the hardest issues for last
- Start reasonably and concede slowly
- Don’t be trapped by emotions
EMOTIONS HAPPEN

- Don’t try to stop them
- Don’t try to control them
- Dealing directly with emotions is too hard

The KEY:

Breathe
Commitment

- Concentrate on what you are agreeing to.
- Is there flexibility should demand or market changes occur?
- Are you confident they will keep their word?
- Are they confident that you will keep yours?

Trust = Success
DE-ESCALATING CONFLICT

Creating a Constructive Environment
CONFLICT IS:

- Unavoidable
- Disruptive and destructive
- Necessary to work through in order to complete the negotiation process
- Able to affect outcomes
- Leadership
- Climate
- Policies
CONFLICT IS:

- A gap between expectations and reality
TURNING CONFLICT INTO SUCCESS

Be prepared to answer:

- Who?
- What?
- How?

Be informed and understand the reasoning

- Why or why not?

Be positive about the desired outcome

- If you don’t believe in it, why would anyone else?
DE-ESCALATING ANGER

Seven Steps To Success:

1. Listen
2. Offer
3. Wait
4. Look
5. Incline/Nod
6. Express
7. Solve
LISTENING

• We cannot promote a positive resolution until the person FEELS that they have been listened to.

• Listen thoroughly and effectively until you understand the problem from THEIR point of view. ONLY then do you have the information you need to respond.

Listening = Learning
Offer reflective comments such as, “I can see that you are angry (or frustrated),” which displays that you are not only listening to their words, but their level of urgency.

Allow them to blow off steam. This will reduce the anger that they are feeling and projecting toward you afterwards.
WAIT

• DO NOT fill voids with words. Allow them time to reset and continue their thoughts without your interruption or input.

• Count down from 10 before you speak to ensure they are ready to listen.
• Eye contact is important, but context is key. NO blank stares, NO piercing glares. NO rolling eyes

• Keep expression neutral, smile only if appropriate.

• Facial expressions are key
INCLINE OR NOD

- Inclining the head presents a non threatening posture.
- Nodding displays interest in what they are saying.
EXPRESS

- Express a desire to understand and be empathetic
- “I can appreciate why you felt that way.”

Empathy Quotes

Empathy is seeing with the eyes of another, listening with the ears of another, and feeling with the heart of another

Alfred Adler
SOLVE

• Only after the de-escalation techniques have been completed can you begin the solution building process.
CONFLICT IN NEGOTIATIONS

Summary
COMPROMISE VERSUS COLLABORATION

Accommodate (L/W)  Collaborate (W/W)

Compromise (W&L)

Avoid (L/L)  Compete (W/L)

My ability to listen to Your Needs

My ability to take care of My Needs
CONCLUSIONS

- We cannot be successful without each other
- Successful conflict resolution leads to a climate where resolution and collaboration can occur
- Negotiations is human interaction and being prepared is the key to success
- Decision making must be in alignment with core values, with consequences objectively evaluated
QUESTIONS?
THANK YOU

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