

Organisational Leadership  
& Development

# *Negotiation*

*“A kind word goes far, a kind word and a gun goes even further”*

**Al Capone**

Scottish Medical Appraiser's Conference

**John McKinlay** BA MBA LLM

# Why do we negotiate?

## We need each other.



# Negotiate over

1. Time and location
2. Agenda
3. Proposed learning plan
4. Nature & extent of further development
5. Interpretation of data

# What is negotiation about?

1. Not losing
2. Winning

**Negotiation is about**

**Agreement**

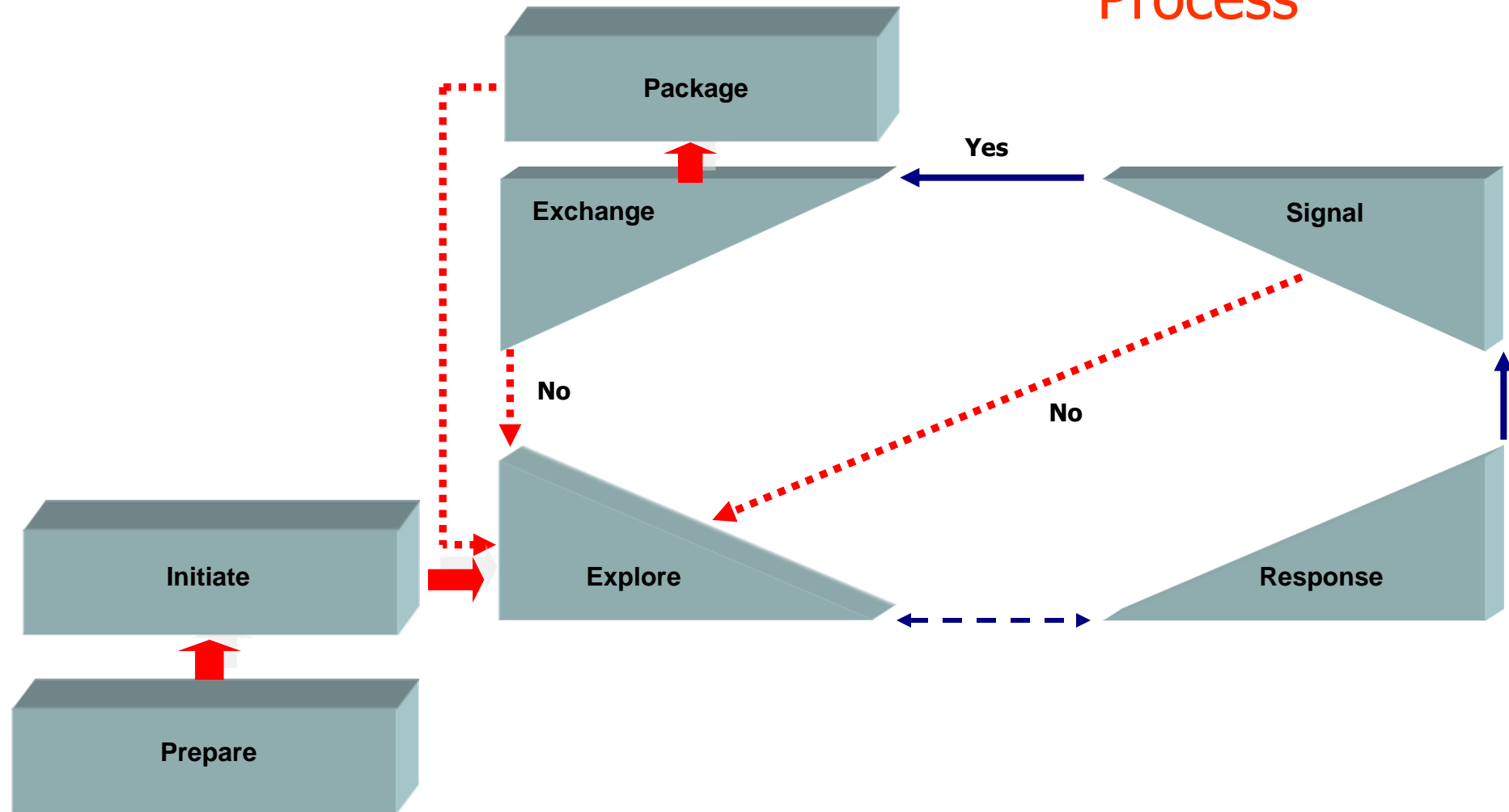
1 Not losing  
2 Winning



**Benefits**

# **What are the key stages of a negotiation?**

# Negotiation Process



## Where does the best deal/agreement come from?

*“A kind word goes far, a kind word and a gun goes even further”*

Al Capone

1. gun Competitive / adversarial
2. kind word Cooperative / collaborative





## Red / Blue card game

## BLUE AND RED CARD GAME RULES:

- Each player is given a number of red & blue card
- Each player then chooses to play either a blue or red card. These are revealed simultaneously.
- Each player is awarded a score according to the combination of cards revealed.

**BLUE - BLUE = +4 POINTS EACH**

**RED - RED = - 4 POINTS EACH**

**RED - BLUE = RED WINS 8 POINTS  
BLUE LOSES 8 POINTS**

**OBJECTIVE - TO MAXIMISE YOUR POSITIVE SCORES**

		PLAYER B	
		BLUE	RED
PLAYER A	BLUE	Win - Win (Both win)	Lose - Win (A loses, B wins)
	RED	Win - Lose (A wins, B loses)	Lose - Lose (Both lose)

## Why play a **Red** card

- Achieve maximum points
- Expected a red play from other party

## Why play a **Blue** card

- Signal co-operation
- Achieve maximum benefit

***OBJECTIVE - TO MAXIMISE YOUR POSITIVE SCORES***

I want



I want

# Scenario

## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

What are you going to do?



## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

## What are you going to do?

### Organisation

- Reach an impasse
- Impose
- Rob Peter to pay Paul

### Unit

- Reach an impasse
- Capitulate / resist
- Reduce their demand – i.e. 2<sup>nd</sup> hand

# Scenario

## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

What are you going to do?

Organisation

Unit

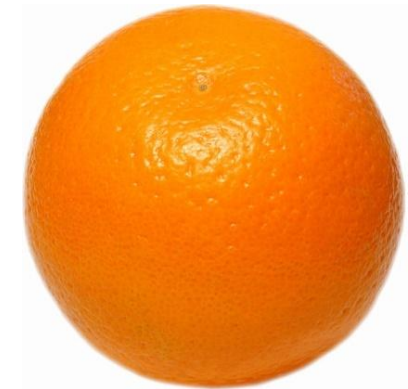
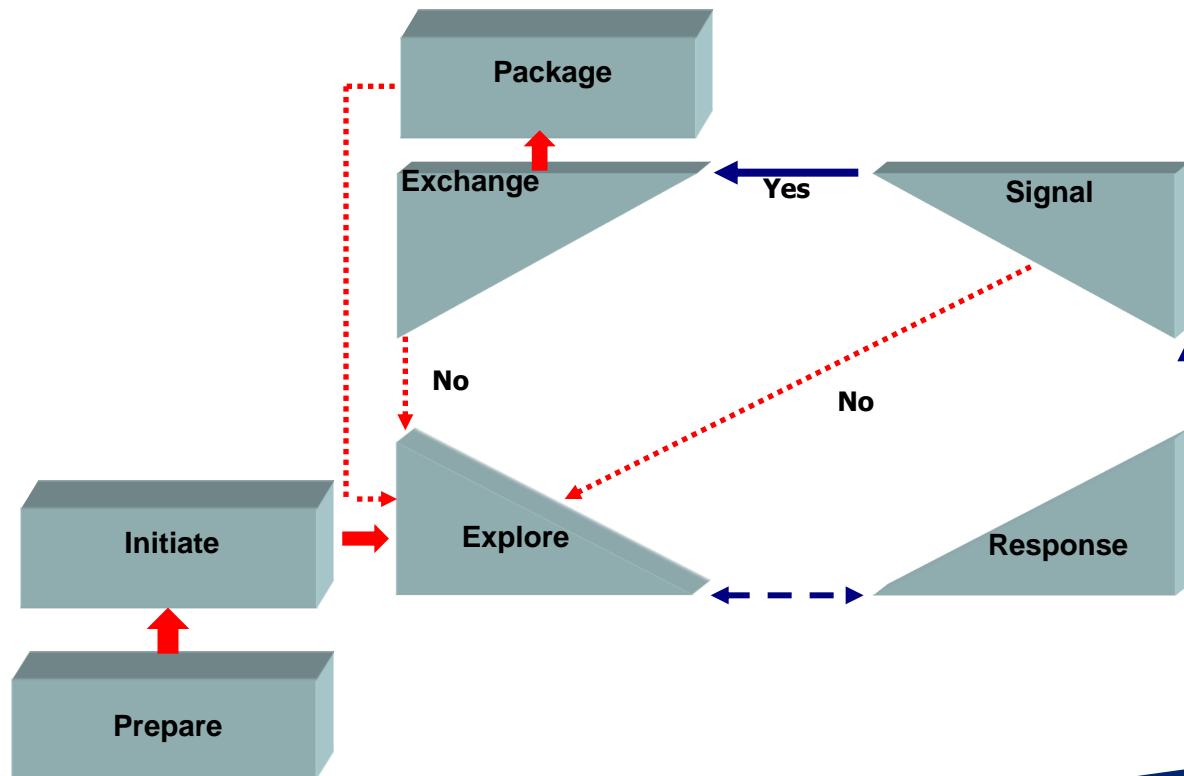
Interests



# Ask question/s

*“Judge a man by his questions, rather than his answers”*

Voltaire



# Scenario

## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

## What are you going to do?

Organisation

Unit

### Interests

- If we make an exception, we will have to make more exceptions.
- Govt is about to cut the budget further.

- Current equipment keeps breaking down.
- Maintenance costs average £3,000 p.a.
- Causes patient appointments to be cancelled – can't meet our target.

### Solution

# Collaboration

Creative thinking:

A young man was walking through a forest when he came across an elf trapped under a fallen tree. Without hesitation, he lifted the tree off the elf, who in return gave the young man one wish. Not wishing to waste it he asks if he could go home and discuss with his family what he should wish for. The elf agrees and they arrange to meet the following day.

When he gets home he told his family about his good fortune. His wife told him to wish for a baby, his mother, who is blind, asked him to wish for the return of her eye sight and his father told him to wish for a bag of gold.

If you were the young man **what would you do?**

**Create a joint aim and, where possible, look to integrate the parties interests into a single solution**

## Creative thinking:

In 1971 Malta was re-negotiating the rental of its naval base to Britain. However, new technology, ship design and naval warfare made the naval base less of a strategic imperative. As such, the British government were not interested in renewing the rental agreement.

Putting yourself in the position of the Maltese government, what would you do?

If you were the Maltese government, **what would you do?**

**Create competition**

## Creative thinking:

Bismarck, the nineteenth century, German Chancellor and ex-army officer challenged Rudolf Virchow (the German pathologist and liberal politician) to a duel.

As the challenged party Virchow (who was not a duellist) had the choice of weapons. Tradition decreed that Bismarck would then select one of the weapons, the other being taken up by Virchow.

Putting yourself in Virchow's position, **what would you do?**

**Play to your strengths**

# Scenario

## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

**What are you going to do?**

Organisation

Unit

**Interests**

- If we make an exception, we will have to make more exceptions.
- Govt is about to cut the budget further.

- Current equipment breaks down.
- Maintenance costs average £3,000 p.a.
- Causes patient appointments to be cancelled – not meet target.

**Solution**

# Scenario

## Positions:

- The unit wants an additional £20,000 to purchase a piece of equipment.
- The organisation says it can't afford it.

**What are you going to do?**

Organisation

Unit

### **Interests**

- If we make an exception, we will have to make more exceptions.
- Govt is about to cut the budget further.

- Current equipment breaks down.
- Maintenance costs average £3,000 p.a.
- Causes patient appointments to be cancelled – not meet target.

**Hire Purchase**

## What have we learned?

1. Negotiation is not about winning or losing – agreement & benefits.
2. Interests and not positions.
3. Asking question





John McKinlay BA MBA LLM

I want



I want

Potential outcomes:

- One party wins at the other's expense
- Both parties walk away