



## What Is Negotiation and Why Does It Matter?

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Negotiation skills are important for all areas of life, but particularly within employment.

We may think of negotiation as something that happens in corporate companies, when one business negotiates a deal with another. In reality, negotiations happen in all areas of business and at all levels.

Negotiation is the process of creating an agreement between two parties. This will usually involve a process of compromise until both sides find a settlement which is mutually beneficial.

At high levels, this can result in formal agreement contracts. This is not always the case, though, and sometimes a negotiation will result in a verbal contract between the parties involved.

Within a business, negotiations are an important way of resolving a problem and finding a solution or strategy that pushes the company forwards.

## When Might You Need Negotiation Skills?

There are a huge number of situations when negotiation skills may be required.

Individuals who work within marketing, sales, real estate, [law](#) and customer service will all need to master negotiation skills in order to effectively do their job.

Any position that requires business or relational interactions would benefit from strong negotiation skills.

Situations when you may need to show negotiation skills in the workplace include:

- Negotiating a [wage increase](#) with your current employer
- [Discussing a starting salary](#) when you accept a new position
- Negotiating time off with your supervisor
- Forming a contract with a company for [freelance services](#)
- Negotiating a deal between your company and a supplier or competitor
- Agreeing a flexible working schedule with your employer

No matter what job you do, having the ability to negotiate a situation can help you to progress.

# What Are Negotiation Skills?

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There are many things that can be considered negotiation skills. Whether you are trying to secure a deal with a client, resolve a conflict that has occurred between staff members or discussing time off with your employer, having good negotiation skills can make the difference between success and failure.

## Good Interpersonal Skills

Interpersonal skills are defined as the ability to communicate and interact well with others.

Because of this, they are essential when it comes to situations that require negotiation.

During any negotiation process, you will need to interact with others, whether this is in person or via video or phone call.

Good interpersonal skills involve the ability to listen, communicate and understand the needs of others.

This will then help to direct the negotiation in a mutually beneficial direction.

# Advance Planning

This skill is particularly important when negotiating business deals with other companies and individuals, although it can be used in any negotiation situation.

The ability to research and plan a strategy can help to prepare for a variety of situations.

Being prepared in advance will mean that you are able to anticipate any stumbling blocks or issues that may occur and offer a suitable solution which appeals to both parties.

Good preparation will include:

- [Determining goals](#)
- Deciding on maximum and minimum terms
- Researching the situation, company or individual
- Research similar negotiations from the past to consider past precedence

# The Ability to Build Rapport

Rapport goes hand-in-hand with having good interpersonal skills.

Building rapport helps to forge harmonious relationships and understanding. The ability to build rapport means that individuals are able to create and maintain working relationships.

It will also usually make finding a suitable agreement easier, as there is a positive bond in place.

After all, it's easier to compromise with someone you have a good working relationship with compared to someone you have a difficult relationship with.

This rapport can lead to long-standing beneficial relationships that can be revisited in the future.

# Adaptability

No matter how well you research and plan, things don't always go the way that you expect them to. New information may come to light or others may not react the way that you expect them to.

This is why it is important to be able to adapt to any situation.

Having good adaptability skills means that no matter what happens, you will be able to consider the options and come up with alternative solutions.

If you struggle to communicate, then forming a satisfactory negotiation can be incredibly difficult.

Being able to communicate effectively helps both parties to understand one another. It also means that they are able to fully understand what is being offered within the negotiation, as well as any expectations.

If you do not have good communication skills then there can be confusion and misunderstandings. This can lead to disagreements and even the breakdown of negotiations.

# Organizational Skills

Organizational skills are particularly important when it comes to negotiating a deal between companies.

Large-scale negotiations require a lot of research and paperwork to successfully understand the expectations and requirements of both sides.

Keeping all of this information organized is vital. Without the ability to determine your own strategy and the information surrounding the deal, mistakes can be made and communication can break down.

Good [organizational skills](#) will also include things like arranging meetings and calls, making sure that you are on time for those meetings and following up afterwards, if required.

# Emotional Regulation

There are times when negotiations can become heated. There may be frustrations and situations that could potentially trigger emotional responses.

This is why it is important to be able to regulate your emotions and respond in a way that is neutral.

Giving in to your emotions can lead to compromises that concede more than you were hoping. Rather than letting your frustrations or anger get the better of you, keep a cool head, which will ensure that you are able to remain in control of the situation.

This is also important when trying to make a deal with a client or competing company. If you respond with your emotions unchecked, then it can make you seem hot-headed and unreliable.

These are not desirable qualities and mean that a satisfactory conclusion is less likely.

By regulating and controlling your emotions, you will give the impression that you are in control and able to handle difficult situations.

## Good Listening Skills

As well as being able to put your own viewpoint and requirements across, it's important to be able to listen.

By [actively listening](#) to what others have to say, this can help to guide your next steps in the negotiation process.

If others feel as though they have been heard, this also helps to build rapport and relationships, which can further strengthen negotiations.

For example, during a negotiation, individuals may have concerns about specific areas. By listening carefully to what they are saying, you can create strategies that are designed to tackle these areas.

This will help the negotiations to move forward and also shows that you are interested in reaching an agreement that is satisfactory for all parties.

## Trustworthiness, Reliability and Ethics

When negotiating, it is important to ensure that you are both [reliable and trustworthy](#).

If others feel that they can trust and rely on you, then it will make them more likely to concede to your requirements, as they will believe that you will be true to your word.

If others don't feel that you will stand by what you say, then negotiations are much more likely to fail.



Negotiation Skills: Definition and Examples

## Effective 'Closing' Skills

Knowing how to close a deal is essential in all negotiations.

It's one thing to be able to communicate and discuss situations, but turning those discussions into a solution is another thing entirely.

Some situations will require contracts to be drawn up and signed. Others will be completed with a [verbal](#) agreement and a handshake.

It is important to understand which conclusion is required for each situation and when to implement them, as well as make sure that each person involved in the negotiation fully understands and agrees to the terms.

# Examples of Good Negotiation Skills

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Now that we have looked at the skills that are considered important for negotiations, it is time to consider how and when those skills would be used.

## Example One

Real estate agents regularly have to deal with complex negotiations between vendors and buyers.

They are the primary communicators between sales and have to negotiate prices alongside other terms and conditions.

Because of this, it is important for clients to be able to trust them. They need to show that they really do have vendors' and buyers' best interests at heart and negotiate a deal that appeals to both parties, as well as satisfy legal requirements.

During the process, tensions can rise and [conflicts](#) can occur.

Because of this, it is important to remain entirely impartial and work equally for both sides. Communication is also vital for ensuring that everyone is happy with the process and understands each step.

Without negotiation skills, sales can fall through or take much longer than necessary to complete.

Skills used in this situation:

- Good communication skills
- Good organization
- Trustworthiness
- Emotional neutrality
- The ability to build rapport
- The ability to close a deal
- Listening skills
- Adaptability

## Example Two

When there is a conflict among employees, a supervisor or other individual may be required to negotiate an agreement and reinstate harmony within the workplace.

If you are ever called to do this, then you will need negotiation skills to soothe both parties' feelings and form a satisfactory outcome. This could mean speaking to others about the circumstances that lead to the disagreement.

You will also need to communicate with both parties to find out their version of events and find out what outcome they would like.

During the process, you will need to remain calm and keep your own opinions and emotions in check so that you are impartial.

By communicating effectively with both parties, researching the circumstances and maintaining neutrality, you will be able to effectively resolve the situation and negotiate a resolution.

Skills used in this situation:

- The ability to build rapport
- Good communication skills
- Advance planning and preparation
- Emotional regulation
- Listening skills

## Example Three

When you [accept a new role](#), there may be an opportunity to discuss the exact requirements of your position as well as your pay.

This is a chance for you to negotiate a contract with your employer that is mutually beneficial. But, to do so, you will need to show a range of negotiation skills.

If you are looking to discuss a wage that is higher than you had previously been offered, then it is important to research and plan your approach.

This could mean identifying other wages that are higher for individuals in similar roles, considering the number of hours being worked and generally building an argument that supports your standpoint.

By presenting this information in a clear and organized way, your employer is more likely to listen. It is also important to build rapport with your employer and listen to what they have to say.

If you listen and understand their reservations then this can guide your next steps. Once an agreement has been made, contracts will need to be drawn up and signed.

Skills used in this situation:

- Good communication skills
- The ability to build rapport
- Advance planning
- Good organizational skills
- Knowing how to close a deal
- Listening skills
- Adaptability

## Example Four

If you work in a customer service position, then negotiations will regularly feature as part of your job role. Whether it is negotiating with an angry customer or discussing a new product that may be beneficial for them, you will have to show a range of negotiation skills.

First, no matter the situation it is important to build rapport and show that you are trustworthy.

This will mean that the customer is more likely to believe that you have their best interests at heart and makes a successful negotiation more likely.

The ability to listen to a customer is also important; both to help understand the requirements of the situation and also to guide your next steps.

Adapting to the information you are given can also mean that reaching a satisfactory conclusion is possible while still ensuring that the customer is happy with the result.

Skills used in this situation:

- The ability to build rapport
- Trustworthiness
- Adaptability
- The ability to listen effectively

## Final Thoughts

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No matter what your position or role involves, it is likely that you will need to negotiate at some point.

Almost all workplace activities are negotiations in one way or another. From deciding who should take which lunch break to forging a deal with another company, the skills required are essentially the same.

Making sure that you are able to effectively negotiate will help you to achieve future ambitions and maintain workplace harmony.