In Theory

Negotiating in a Complex World

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Drawing on the literatures on negotiation and conflict resolution as well as research on international diplomacy, the author proposes a framework for understanding complexity in real-world negotiations. Rejecting models of the process that are simplistic, sterile, or static, he argues that complexity is inherent in negotiation. In ten propositions, he lays out key dimensions of complexity and ways that skilled negotiators can manage it. The propositions focus attention on the ways negotiators create and claim value, shape perceptions and learn, work within structure and shape the structure, negotiate and mediate, link and de-link negotiations, create momentum and engineer impasses, and work outside and inside. The author also highlights the importance of organizational learning in negotiation, noting that most negotiators manage multiple negotiations in parallel, and most organizations have many negotiators doing similar things.

Few objectives in life can be achieved solely through the use of authority or coercion. Instead, people negotiate to advance their interests and those of the institutions they represent. In an era of globalization and rapid technological advances, of international agreements and corporate alliances, of flatter organizations and vastly proliferating channels for communication, strong negotiation skills are a prerequisite for professional success.

While there are countless “how-to” books and articles on the basics of negotiating, few address the complexities that characterize real-life negotia-
tions in government and business. Readers can obtain sound advice on conducting negotiations involving a few parties and a modest number of issues. But there is little information available on how to build coalitions in multi-party negotiations, or to manage internal decision making while representing one's organization, or to prevent disputes from escalating and poisoning deals.

More deeply, existing models of the negotiation process tend to suffer from one or more of three fundamental deficiencies: they are simplistic, sterile, and-or static. Such models are simplistic because negotiations are treated as isolated interactions involving only a few negotiators and well-specified issues, while most nontrivial, real-world negotiations involve many parties, evolving sets of issues, representatives of organizations, and linkages to other negotiations. They are sterile because they abstract away the emotional dynamics of the process, ignoring the reality that negotiations almost always involve existing or latent sources of conflict that could escalate and poison the potential for agreement. They are static because they fail to do a good job of characterizing the micro-level dynamics that shape the evolution of the process.

To illustrate these deficiencies, consider what goes on when a young couple is negotiating to purchase a new home. This commonplace situation could be treated as a one-time negotiation involving two parties (buyer and seller) and a few issues (price, size, condition). You decide what house you want to buy, do the necessary pre-negotiation preparation, establishing your interests, alternatives to agreement (i.e., in the words of Fisher, Ury, and Patton [1991], Best Alternative To a Negotiated Agreement, or BATNA), and bottom-line, and assessing those of the seller. You make an offer and the seller responds. The process advances through offer and counter-offer until agreement is reached or you abandon your efforts. When viewed in this way, the key is to do good pre-negotiation preparation, then to formulate a strategy for making and responding to offers.

But is it really that simple? In practice, as anyone who has bought a house knows all too well, things tend to be rather more complicated. You may be looking at many properties and the seller likewise may be dealing with multiple potential buyers. You probably have to arrange a mortgage with a bank, and may be exploring several options for financing. You may need to close the sale on your current home and move by a certain date, so deadlines may shape the process. These factors are all beyond the obvious issue of price, repairs, and other issues that may emerge as potential deal-breakers. Even as you negotiate with the seller, you also may have to engage in tense intra-family negotiations with your spouse. Finally, you may have to negotiate with a real estate agent who represents the seller, but who also has independent interests, such as getting on with other business and maintaining a good reputation. This “simple” house purchase is actually a multi-party, multi-issue negotiation involving representatives, deadlines, and linkages.