

Scotwork®

since 1975

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Negotiating Skills Capability Survey - Then and Now

8 years of the Negotiating Skills
Capability Survey

What is negotiation?

Negotiating has an effect on many aspects of business and can affect revenue and profitability both positively and negatively. Businesses are in regular and frequent negotiations to sell products, acquire materials and supplies, manage property and acquisitions and address human resourcing issues from recruitment to pay and severance.

There is a common misperception that negotiating involves confrontation where an unstoppable force meets an immovable object and can result in nothing better than a slow surrender. At Scotwork we don't hold that view.

We believe that negotiation is about relationship-building, where we collaborate assertively and constructively to achieve the best outcome for all the parties involved, resulting in a realistic deal which will be enacted and respected by those involved in it.



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David is a Director of Scotwork Limited. He has coached many courses and been involved in major projects, like the creation of the Negotiating Skills Capability Survey back in 2016. His background is in HR consulting, he is a former consulting partner at KPMG and was previously Head of Global HR Development with the firm.



The Negotiating Skills Capability Survey

In 2016 we introduced our Negotiating Skills Capability Survey. It was designed to measure how well teams negotiate and to benchmark participants against what we consider global best practice.

The survey evaluates 50 critical negotiating behaviours and activities in order to:

- Explore how effectively negotiators prepare
- Discover the dynamics of how participants conduct a negotiation and the effect they have on outcomes
- Review how they present their own case and take account of others' needs to achieve deals
- Evaluate participants' own view of the quality of the deals they achieve
- Measure the impact on continued relationships with customers, suppliers or staff

When the first results of the survey were published, we had surveyed 5397 respondents worldwide across 51 sectors and industries, revealing clear negotiation trends and practices – many of them unhelpful in achieving constructive and workable deals.

Findings Report

We have now surveyed over 27,000 people from more than 900 businesses in 65 countries, which is the largest database of negotiating behaviour anywhere.

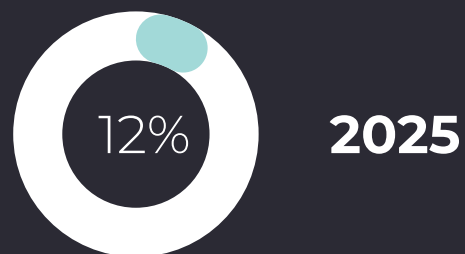
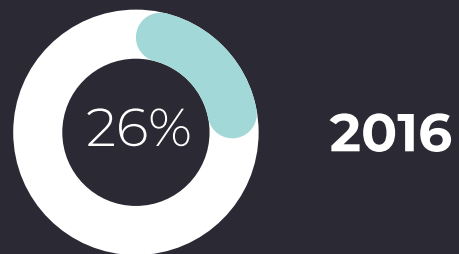
As we now have much more data from a considerably larger sample of businesses in different industries and geographies, we decided to revisit the data and the conclusions we reached 8 years ago to see what, if anything, has changed in that time. Here is the consolidated data and our conclusions:



Negotiators are stubborn

“If there is a difference in opinion, I will reinforce my view harder”

Agree:



14% fewer respondents said they would argue their way through a negotiation.

When we reinforce our view harder, we listen less and talk more. Not usually a good formula for conflict resolution. Our data now shows that fewer participants would choose this course of action. Is this encouraging?

On balance, it is positive, provided of course that it doesn't indicate respondents are now giving in to the arguments of others. Negotiators should be seeking to understand the source of the argument and trying to creatively and positively address it.

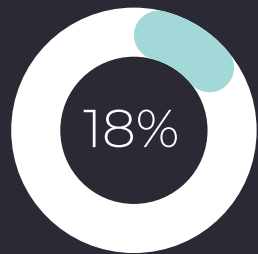
We teach that a good negotiator doesn't let emotions cloud their judgement. They aim to evaluate how important an issue is for their counterpart, and equally, how important it is for themselves. Then they ask questions to understand where the needs of both parties overlap and work towards a consensus.

A negative, point-scoring argument increases the likelihood of deadlock or an outcome with which neither side is happy, leading to a deal that won't last. Time taken to understand the reasons for differences and to explore the possible existence of common ground increases the likelihood of a deal which both sides will respect. However, bear in mind that our data still shows a lot of people who will see winning the argument with you as a key tactic – they win and you lose. Improving your bargaining skills will give you greater insight into how you can deal with these situations.

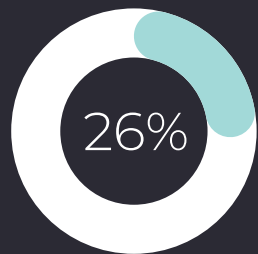
Negotiators don't take the other side's needs into account

"I take both sides' needs into account when making a counterproposal"

Agree:



2016



2025

8% more respondents would try to reach a mutually beneficial deal

These figures still illustrate the worrying fact that when you negotiate, your counterparty is much more likely to press for their priorities while disregarding yours. Three quarters of the people you negotiate with will have no or limited interest in your needs, so use tactics to ensure what you want is fully taken into account.

Our view at Scotwork is that all negotiated deals must contain elements of both parties' wants. Therefore, any movement towards an outcome should be acceptable to both parties. By understanding the other side's needs, you can build a counterproposal which takes them into account along with your own and which will move the negotiation forward.

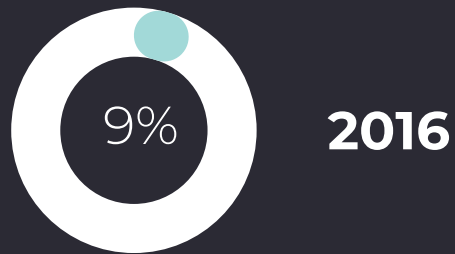
Skilled negotiators care about how well their proposals are received by their counterparty, and an essential element of proposal-making is how well it addresses the other party's needs as well as assertively stating your own. Using variables you are comfortable trading for things that you want in return, you can progress towards a result that both sides are satisfied with and committed to.

Our conclusion is that a behavioural gap still remains for most negotiators in what we know as the "Argue Step". Proposals that are unsatisfactory to one of the parties will be more difficult, if not impossible, to reach agreement on. To reach a deal to which both parties feel they can commit, both parties' interests need to be taken into account when the deal is being built.

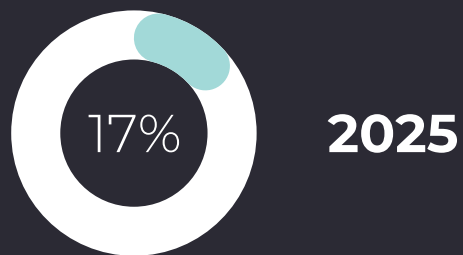
Negotiators are not flexible

“I will concede their demand if they make it worth my while”

Agree:



2016



2025

8% more respondents would trade for value in a negotiation

The principle we base our methodology on is that negotiation is a trading process. We aim to gain things from our counterparty by trading things of lesser value and importance in exchange for things on which we place more value.

Our data shows that most negotiators see negotiation as the process of winning – we see it as trading items of value to reach a mutually acceptable and workable outcome.

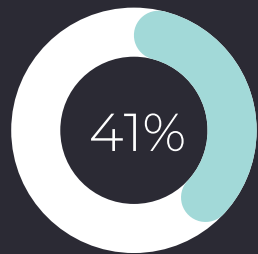
In real life, you are very rarely in a position of complete power where the other side has no option but to do as you ask. The more equal the power balance, the more you will have to trade concessions to reach a deal.

At Scotwork, we teach people to prepare for negotiations by considering carefully and understanding the value to both parties, not just of the things they need, but also the things they might be willing to concede in exchange for them. The data shows that this trading mentality is not part of the behaviour of the large majority of negotiators – as a Scotwork trained negotiator, you will be able to derive tactical advantage by trading your concessions effectively.

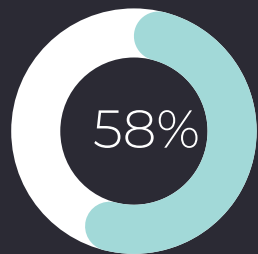
Negotiators avoid conflict

“I will always or mostly avoid conflict in order to maintain harmonious relationships”

Agree:



2016



2025

17% more respondents would choose to avoid conflict to protect the relationship

Most of us recognise the inevitability of conflict, although the data shows that often we will do our best to avoid it. However, when your suppliers want to impose a price increase which you see as unjustified, giving in to maintain harmony is probably not the most cost-effective solution. Avoiding or deferring conflict will usually lead to suboptimal outcomes – with one party reflecting on the negotiation feeling that they have not achieved a satisfactory result. Ultimately, the deal might not get implemented or unravel.

Negotiation is a means of resolving conflict and it is especially crucial to negotiate well when relationships will be ongoing and critical to both parties. This means respecting the needs and priorities of others, while achieving acceptable outcomes and strengthening the future of key relationships.

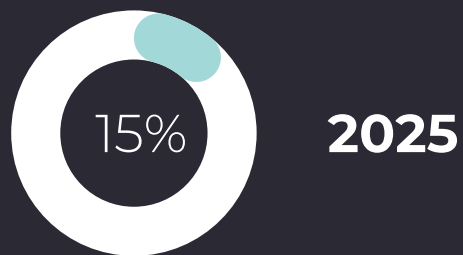
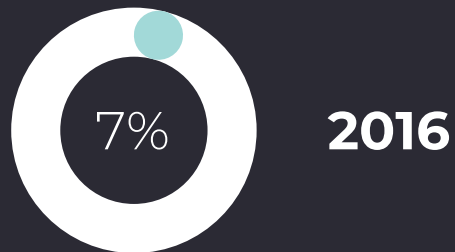
Working partnerships based on trust and mutual respect are key to successful negotiations, particularly where relationships are of interdependence and transactions are recurrent. When conflict occurs in these relationships – and it will – then the skill to handle it effectively and constructively will fortify the relationship and deepen the trust.

We all need to recognise the inevitability of conflict, not shy away from it. At Scotwork, we believe that we should build confidence in our negotiations to handle conflict effectively when it happens.

Negotiators don't use wishlists

"I use wishlist items creatively when closing the deal"

Agree:



8% more respondents used wishlist items to achieve the deal

Our data 8 years ago convinced us that most negotiators don't prepare as well as they should – and this is still the case. Creating a list of trading variables before a negotiation is key to giving yourself flexibility to trade and build value, but most negotiators overlook this. This leaves them to rely on their ability to be creative in the moment. Most of us find that almost impossible.

The concept of a wish list allows negotiators to be flexible and responsive to their counterparty as they work towards an outcome. Not having a wish list will constrain you especially in the closing stages of a negotiation. Our data tells us that for many the wish list is a new concept but one they embrace when they understand its tactical value.

Good preparation includes compiling your tradeable items and your wishlist in advance, giving you the ability to be flexible. Having a supply of tradeable variables to negotiate with means that you can find creative ways of coping with resistance, taking the lead towards a deal that works for all.

Although it is encouraging to see that, over the last 8 years, global trends are reflecting the change that we aim to accomplish with our programmes, the data also highlights that there is still a very long way to go.

Lack of preparation, the outdated view of a negotiation as an argument and inflexibility with concessions are all factors that, more often than not, lead to deadlock or unsatisfactory deals which don't stand the test of time.

We strive every day to equip negotiators with the necessary tools and knowledge to walk into a negotiation and reach profitable and constructive resolutions. With more respondents filling out our survey and learning from us every year, we hope to see a favourable progression of global trends in the future.

[**Learn more about our courses**](#)

