

12 Important Negotiation Skills (With Definition and Examples)

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Negotiation is a dialogue where two or more sides work together to reach an agreeable solution for all involved. In this article, we describe what negotiation is, the most important negotiation skills to have and how to prepare for negotiating at work.

What is negotiation?

Negotiation is a type of discussion used to settle disputes and reach agreements between two or more sides. Negotiation is a process of “give and take” resulting in a compromise where each side makes a concession for the benefit of everyone involved.

There are many situations where you may need to negotiate at work, no matter what your role is. You may be part of negotiations between co-workers, departments or clients. You may negotiate salary, your position, contract terms, project timelines or more. To be a successful [negotiator](#), you need a variety of skills.

What are negotiation skills?

Negotiation skills are qualities that allow two or more sides to reach a compromise. These are often [soft skills](#) such as communication, persuasion, planning, strategizing and cooperating. Understanding these skills is the first step to becoming a stronger negotiator.

12 important negotiation skills to have

The skills you'll need depend on your environment, your intended outcome and the people or businesses involved. Here are several key negotiation skills that apply to many situations:

1. Communication

Essential [communication skills](#) include identifying [nonverbal cues](#) and [verbal skills](#) to express yourself in an engaging way. Skilled negotiators can change their communication styles to meet the listener's needs. By establishing clear communication, you can avoid misunderstandings that could prevent you from reaching a compromise.

2. Active listening

[Active listening skills](#) are also crucial for understanding another's opinion in negotiation. Unlike passive listening, which is the act of hearing a speaker without retaining their message, active listening ensures you're able to engage and later recall specific details without needing information repeated.

3. Emotional intelligence

[Emotional intelligence](#) is the ability to control your own emotions and recognize others' feelings. Being conscious of the emotional dynamics during negotiation can allow you to remain calm and focused on the core issues. If you're unsatisfied with the current negotiation, express the need for a break so you and the other party can return later with refreshed perspectives.

4. Expectation management

Just as you should enter a negotiation with a clear goal, the other side also likely has its own defined expectations. If you believe you might not be able to agree to each other's terms, you could try adjusting your expectations. Skilled expectation management involves maintaining a balance between being a firm negotiator and a collaborative one.

5. Patience

Some negotiations can take a long time to complete, occasionally involving renegotiation and counteroffers. Rather than seeking a quick conclusion, negotiators often practice patience to properly assess a situation and reach the best conclusion for their clients.

6. Adaptability

[Adaptability](#) is a vital skill for a successful negotiation. Each negotiation is unique, and the situation within a singular negotiation may change from one day to the next. For example, an involved party may change their demands abruptly. While it's difficult to plan for every possible situation, a good negotiator can adapt quickly and determine a new plan, if needed.

7. Persuasion

The ability to influence others is an important skill of negotiation. It can help you define why your proposed solution is beneficial to all parties and encourage others to support your point of view. In addition to being persuasive, negotiators should be assertive when necessary. [Assertiveness](#) allows you to express your opinions while respecting the other side's perspectives.

8. Planning

Negotiation requires planning to help you determine what you want. You should consider what's the best possible outcome, what's your least acceptable offer and what you will do if an agreement isn't reached. The ability to prepare, plan and think ahead is crucial to a successful negotiation. Planning skills are necessary not only for the negotiation process but also for deciding how the terms will be carried out.

The best negotiators enter a discussion with at least one backup plan, but often more. Consider all possible outcomes, and be prepared for each of these scenarios. For negotiators, this is known as the ["best alternative to a negotiated agreement" \(BATNA\)](#).

9. Integrity

[Integrity](#), or having strong ethical and moral principles, is an essential skill for negotiations. Being thoughtful, respectful and honest allows the other side to trust what you say. As a negotiator, you should be able to follow through on commitments. To demonstrate trustworthiness, avoid over-promising.

10. Rapport building

The ability to [build rapport](#) lets you establish relationships with others where both sides feel supported and understood. Building a rapport requires you effectively communicate your goals but also understand the other side's wants and needs. Rapport helps ease tensions, promotes collaboration and increases the likelihood of reaching an agreement. To build rapport, showing respect and using active listening skills are critical.

11. Problem-solving

Negotiation requires the ability to see the problem and find a solution. If a price is too high, how can it be lowered? If a resource is in short supply, what can be done to increase it? Being able to find unique solutions to problems may be the determining factor in compromise.

12. Decision making

Good negotiators can act decisively during a negotiation. It may be necessary to agree to a compromise during a bargaining arrangement. You need to be able to react decisively. Keep in mind that your decisions may have lasting effects on yourself or your company. It is important to think through your options carefully without overthinking your decision. Going back and forth between your options without a clear answer might bring unnecessary stress.

Types of negotiation

Most negotiation outcomes will fall into one of two categories: "win-win" or "win-lose." By understanding the different types of negotiations, you can determine the most relevant skills for your role and work to improve them. Distributive and integrative negotiations are the most common types of negotiation.

Distributive negotiations

In [distributive negotiations](#), also called "distributive bargaining," both sides try to gain control of a limited amount of resources. This is considered a "win-lose" negotiation. One side's gain equals the other side's loss. For example, a client may feel that if Company XWZ does not lower the price for a service, they will be paying too much. The company may feel if it decreases its price, it will lose money.

Integrative negotiations

Often referred to as a "win-win," an [integrative negotiation](#) occurs when everyone benefits from the agreement. There is usually more than one issue to be negotiated so there are opportunities for tradeoffs. To reach an agreement, each side receives value. For example, a client believes Company XWZ should reduce the cost of its service to \$800, and the company believes it should maintain the cost at \$1,000. Both sides may negotiate a \$900 service. In this case, both "win" \$100.

How to skillfully prepare for a negotiation

By considering these steps ahead of time, you can be prepared to use your negotiation skills to your full potential.

1. Do your research

Before entering a negotiation, evaluate all sides and consider their goals. For example, if you're nearing the end of the hiring process, you may be preparing to negotiate a salary. The employer likely wants to hire someone who can complete the required job duties for a competitive salary. You likely want to offer your experience and knowledge to a company in return for what you perceive to be fair pay.

It can also be helpful to research the person with whom you are negotiating. Understand the limitations of the negotiator. Do they have the ability to give you what you want? Sometimes the person you are negotiating with will be unable to meet your demands. Understanding these limitations can help you strategize.

2. Know your priorities

Negotiations often require each side to compromise. Determine what is most important and what you are willing to settle for in its place. Setting your priorities ahead of time can help you evaluate what you refuse to give up as well as where you're willing to budge.

3. Consider the opposition

Consider the potential opposition to your negotiations. Do you think that your manager will object to a pay increase because of declining sales? Will you be denied a higher starting salary for a position because your requested rate is above the average range? Write down all the potential oppositions and then gather the information you can use to argue your case.

4. Know when to walk away

One of the hardest parts of negotiation can be knowing when to walk away from a deal. It is important to enter all negotiations recognizing that you may not be able to agree. Once you realize no further compromises can be made and one or neither side is willing to accept the terms, it's probably time to walk away.

5. Keep your timeline in mind

A timeline can significantly impact your position of power in the negotiation process. For example, if one or both sides are rushing to reach a decision, one or the other may give up too much and regret their actions. For example, if you're trying to get a new job quickly, you may take a position with lower pay than you deserve, or you may compromise too much on benefits. In this case, you may find yourself unsatisfied with your decision long-term.

The same rule can apply for a longer time period. If a company is considering partnering with a vendor but they do not yet need their services, the vendor may

have a harder time convincing the company to meet their terms. The company may push harder for discounted rates and more value because if the vendor does

Challenges to negotiating in the workplace

The workplace is ever-changing, but negotiation remains constant. Keep in mind that changing business practices can present new challenges. In addition to learning negotiation skills, it also necessary to know how to adjust them to a specific situation.

For example, many meetings today are entirely on the phone or over the internet, and some negotiations may occur via email. These methods of communication can inhibit your ability to read non-verbal cues, so you might suggest interacting through a video chat instead.

Negotiation skills can help you develop your career, secure a higher salary and meet critical business needs. Continuous practice is key to improve your negotiation ability.

Source: <https://www.indeed.com/career-advice/career-development/negotiation-skills>