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Redefining negotiation: a social process in which we can all excel

Ali Gill, board reviewer, psychologist and coach specialising in board effectiveness, behaviour and culture

We all negotiate every day – for the last space in the lift, for whose turn it is to cook dinner or simply for a lie-in. Yet despite how successfully we negotiate in the minutiae of our everyday lives, few people would claim to be good 'negotiators' as this is seen as a specialist, often high-octane skill set. Some of us even structure our lives so as to avoid explicit negotiations.

I am interested in the social, emotional and cognitive reasons that lead to the behaviour of *not* negotiating. From my research, I believe that it is possible to redefine negotiation to be a social process – one in which with a little forethought we can excel.

I am writing as a person who believes that in order for me to achieve the things that I want, I have to set myself up in such a way that I can be my best. Because my needs and wants are not always the same as others', this has meant both in my work and sporting careers that I have had to learn to negotiate.

My starting point is that anyone (and particularly those who enjoy relating to others) can learn to be great negotiators. This is because negotiation is a social process, usually involving dialogue, through which wants and needs can be met.

Negotiation:
the process of discussing something with another person (or people) in order to reach an agreement.

Negotiating pay

When we think of and speak of negotiation at work, we often think about negotiating pay. In her book *Women Don't Ask* (2001), Linda Babcock found that while 57% of men typically negotiate their salary before accepting a role, only 7% of women do. When she looked in to this she identified three reasons:

1. Women experienced what she called a relationship capital cost when they tried to negotiate. That is, they experienced being penalised by those they tried to negotiate with, which made them reticent to try.

2. They also typically underestimated their value – so they felt that negotiating for small gains was not worth it. They underestimated the compound impact of a year on year salary at lower levels over their entire career.

3. Although they often prepared fully to ensure they got the job, they did not prepare in terms of what it was worth to them and what they wanted to be successful, so they struggled to generate alternative options to any offers they received.

Linda Babcock's research offers some profound insights that bring meaning to our negotiation experiences; the differences between how men and women typically experience negotiation and the core capabilities required to be good at it – regardless of gender.

Lessons from negotiating with children

Anyone who thinks that they might not enjoy or be good at negotiation might want to think about their experiences as a child (or perhaps more easily with children generally): you have an eye to their needs and wants (more sweets, staying up later, more of your time) and your own needs and wants (happy children, an easy life, or getting somewhere on time and within budget).

Generally everyone knows with children flexibility is key – but also you have a bottom line; a perspective you won't go beyond. I recently was reminded of my non-negotiable bottom line with my goddaughters – two ice creams were enough, no more. At that point I was non-negotiable (it's not good for them, they don't need it and their parents won't thank me if they have any more).

This simple example illustrates three important aspects of negotiation:

- It **happens all the time**
- We **constantly make subtle adjustments**
- But, we **have an absolute limit based on what we think is reasonable.**

What negotiation with children shows us is that authority, power, respect and dominance are key levers of social interaction and the way that we interact with each other at home and at work. These social and emotional processes are particularly important to becoming successful at negotiation.

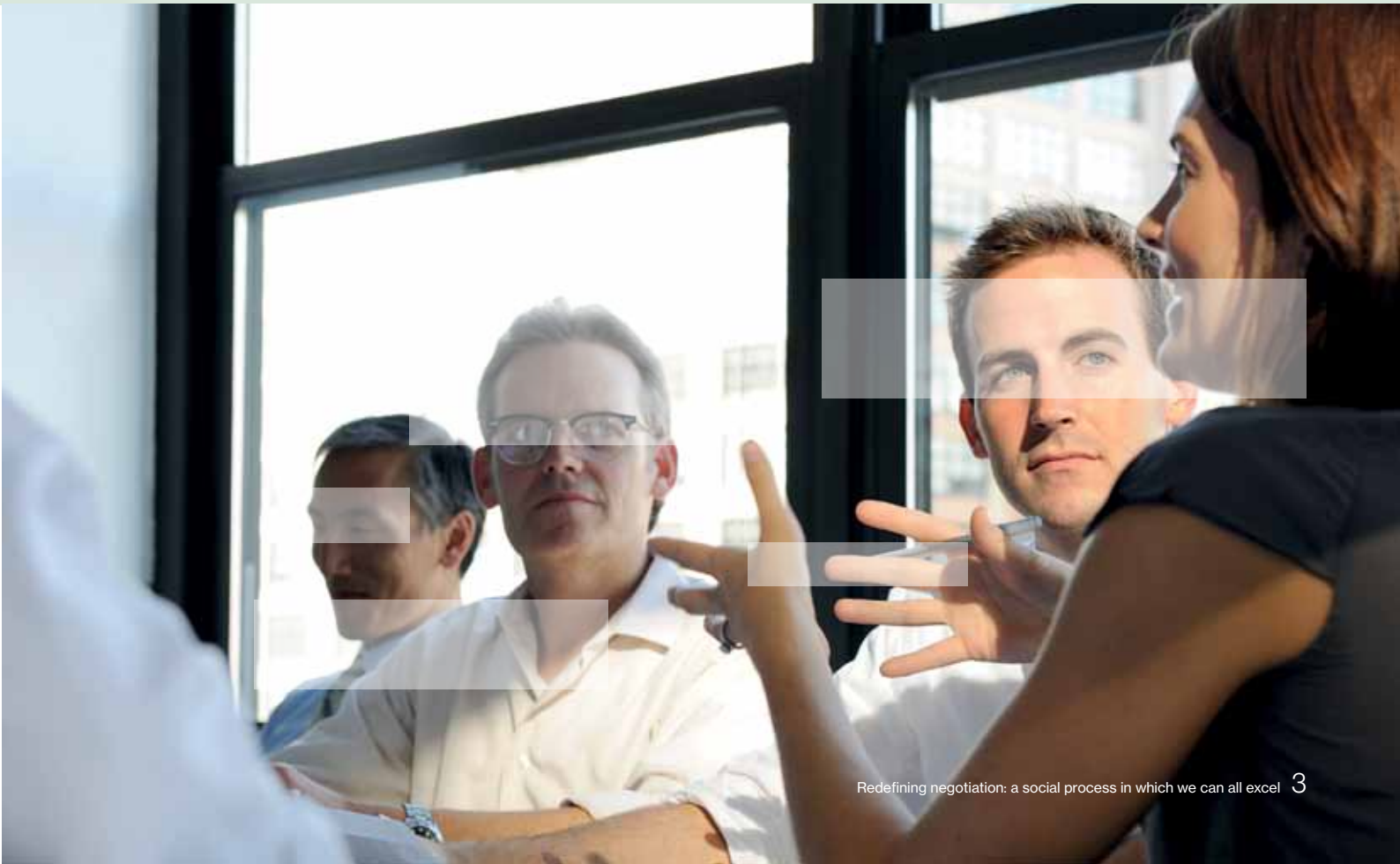
Negotiation is a social and therefore an emotional process

Let me take you back to Linda Badcock's research on relational capital. She identified that many women often feel that they can't negotiate because it has a negative effect on their relational capital. She found this experience was directly related to how dominant the person they were negotiating with was. Dominant bosses, in pay negotiation, used dominance as a means to assert negotiation authority.

A word about dominance

Dominance is a mechanism used primarily when animals (and humans) compete for limited resources (food, sexual partners, status and in the case of humans, money). The stronger animals benefit at the expense of the weak. By submitting to a stronger peer one avoids an aggressive act from the dominant animal. In chimpanzees and gorillas (and the same is observed in human gangs) the dominance hierarchy reduces violence in the group. Choosing to challenge the dominant male (and sometimes the dominant female) is potentially life threatening. It is 'evolutionarily' expensive.

So, what has this to do with human negotiation? In organisations in which a dominance hierarchy is alive and well and, used as a primary means of controlling subordinates, negotiation will be experienced by the leader as competition for vital resources, that is status and power.



However, dominance is difficult within species in which cooperation is important (such as humans). Weaker animals can form coalitions to attack stronger animals, something we see happening for example in chimpanzees. In human evolution, cooperation has led to a reversal of the balance of power. Someone is not a leader because he or she is able to dominate, but because their abilities benefit the group. Studies of hunter gatherers show that in these civilisations there is little or no formal power relationship and attempts to dominate the group are punished. The leader leads by consent of the group. The position of leader has obvious evolutionary advantages: the respect and prestige may translate into greater privileges and more mating opportunities for that leader.

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How a dominance hierarchy can impact negotiations

My own research tells me that the existence of a dominance hierarchy is most likely to be found in organisations where large bonuses are the currency of status and reward and also in male-dominated environments where group behaviour is driven more by male–to–male interaction.

In such an environment, attempts to negotiate can often be met with un-cooperative behaviour. This behaviour comes in five types:

- **Criticism**: attacking your motivation to negotiate; perhaps describing you as greedy, not worth it relative to others who are ‘serious competitors’ for the role
- **Contempt and mocking**: statements that come from a relative position of superiority. Example, ‘You must be joking’ or ‘I don’t think you have done your research on the value of this role’
- **Defensiveness**: self-protection in the form of righteous indignation or innocent victim-hood. Defensiveness wards off a perceived attack. Example: ‘It’s got nothing to do with you’
- **Stonewalling**: emotional withdrawal from interaction. Example: the listener does not give the speaker the usual nonverbal signals that the listener has ‘heard the request’. In a business environment this might include simply not replying to (email or other) requests for information or a discussion, for example
- **Overuse of charm and difficult-to-support claims**: examples include ‘...of course you are worth that amount but we don’t have that budget just now’ or ‘we’d be looking to get your salary up to that level once you are in’

Most of us are biologically attuned to these types of behaviour; we recognise them as uncooperative behaviour and they act as warning signals and threat. These behaviours typically raise our cortisol levels (the stress hormone) and lead to feelings of wanting to ‘fight-back’ or avoid the discussion (figuratively ‘run away’). You don’t need to be a silverback gorilla to know that fight is always a costly strategy in a dominance hierarchy.

Preparing to excel at negotiation

I find that to excel at negotiation it is helpful to understand evolutionary leadership. Having a good understanding of power and leadership dynamics and different styles of and approaches to conflict resolution, helps us to recognise and appropriately react to these unhelpful behaviours. Finally, it is essential to learn to be attuned to the needs of others. Attuning to the needs of others and being able to help others see the need for change is a vital skill if you want to influence others. The ability to attune requires that you listen with ‘the third ear’. A concept introduced by psychoanalyst Theodor Reik (1948), this refers to the practice of listening for the deeper layers of meaning in order to glean what has not been said outright. It means perceiving the emotional underpinnings conveyed when someone is speaking to you.

These attributes may feel too big to be immediately manageable, so below I set out some more digestible steps to help you for your next negotiation – be it with a small child or the CEO of a large corporation.

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1

LISTEN – and attune to the situation, the best negotiators use their ears first. They use their 'third ear' listening to what is being said (as well as to what is not being said) and test whether their interpretation is correct.

2

ASK – does the person you are talking to have the authority to negotiate? If not, ask to meet the person who has this authority. This is a vital early step as a very common negotiation technique is to defer to someone in higher authority and then to blame the lack of ability to budge on an inaccessible third party.

3

PREPARE WELL – use all information you can and prepare well; remember the whole outcome that you are trying to negotiate. If you are trying to negotiate a whole remuneration package (and not just a salary), you might want to start with how you work, rather than what rewards you get.

4

KNOW YOUR LIMITS – be confident about your needs and wants and know the difference between those two things. Compromising on needs lowers your status.

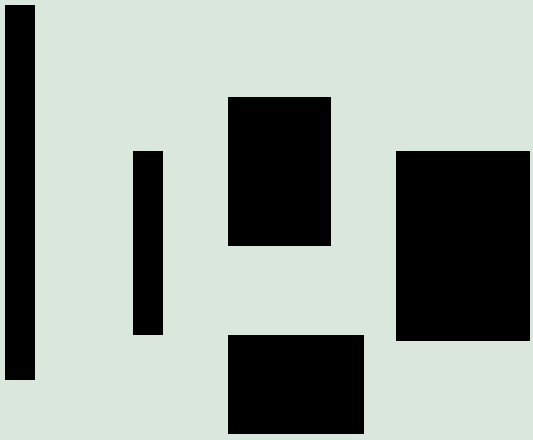
5

USE POWER PAUSES WELL – if you are offered a lower than acceptable offer – one you know is too low and the person offering knows is too low – use the painful 'power pause'. Say nothing and look them straight in the eye.

6

PRACTICE – practice negotiating things that are low risk to you and do it often. Humans suffer from loss aversion, so practising when you have a lot to lose will feel emotionally draining. Make your practice safe until you have a sense of the basics.

And remember, if you never hear NO when you negotiate it is likely you haven't negotiated enough.



My experience of negotiation: Rosemary Hilary, Portfolio Non-Executive Director and Chair of Audit Committee at Willis Limited

Ali Gill's article about negotiation as a social process really resonated with me across the various types of negotiation I have had to do so far in my work. In the course of my career I worked as a regulator for a number of years. That meant I had positional power over the firms I supervised. However even then I realised that this sort of power needs to be used sparingly if you are to gain the real respect of those you are supervising.

I have also been in a position of 'semi-positional' power when running the risk function at the UK Financial Services Authority (FSA) and as a chief internal auditor. In these cases I was dealing with my peers, which can be more difficult. The key here was always to put myself in the shoes of the person I was 'negotiating' with.

I think what gets in the way of successful negotiation all too often is not what is going on in the here and now, but what is popping up in one's subconscious. This can be very complicated: sibling rivalry from childhood; playground squabbles; perceptions that the other party 'gets away with things' all too often; worry about what 'losing' will do to your reputation etc. It's helpful to know what your personal triggers are.

I've also found the following helpful when going into a business negotiation:

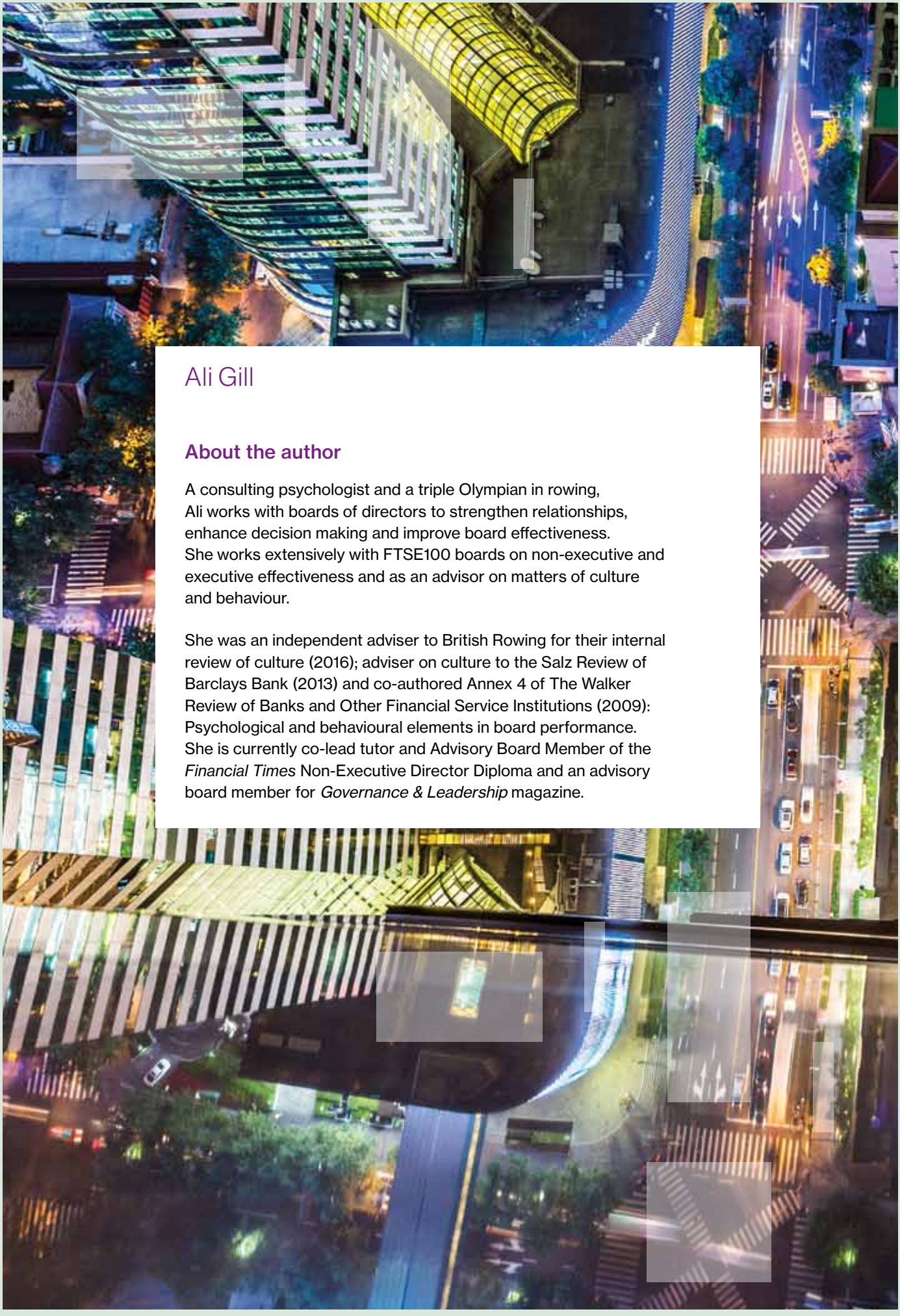
- **Preparation**: think about the other party and what drivers they have; what motivates them (is it an intellectual debate? How much time do they have? Do they work better with statistics or written material?); and what is at stake for them in the negotiation
- **Business focus**: try hard in advance and throughout the process to remove emotion from your own mind
- **Compromise**: remember that it is not generally a case of winning or losing but each party will often have to give a bit and feel they can walk away with their head held high
- **Prioritise**: work out in advance what is really key. This can help avoid digging your heels in for the wrong reasons; for example, simply because the other person is getting on your nerves
- **Flexibility**: be flexible and intellectually nimble as the conversation(s) may take twists and turns that you had not thought of. The other party will also be subject to all of the above pressures and emotional triggers, so be prepared to respond to these
- **End positive**: think how you will end the conversation even if you don't get your chosen outcome
- **Follow up**: think what actions you might take. For example, in successful pay negotiations it is wise to send an email to confirm what you think you gained. If you have been unsuccessful you might nevertheless want to send an email to thank the person for their time and flag that you might want to try again in x months' time.

My experience of negotiation: Nigel Basham, Special Contingency Risks Ltd. Formerly a special operations detective and hostage negotiator for the UK's Metropolitan Police and a member of the British Government's elite Hostage and Crisis Negotiation Unit (HCNU).

> "I think it's important to realise that hostage and crisis negotiation does not in reality tend to bear much resemblance to the images we see in Hollywood movies. Yes, it can be extremely stressful and dangerous at times, but key to successfully resolving many situations is to work towards bringing calm and rational thinking into the mix – not guns and egos."

Whether the person we are dealing with has suffered personal tragedy, or is mentally ill or possibly a violent criminal now surrounded by police officers, the common theme is that most of the individuals we faced were likely to be in a state of crisis. It is therefore vital to think very carefully before making even an initial contact because, as the saying goes, you don't get a second chance to make a first impression. And so, as Ali points out in her article, preparation is key.

If we look at negotiation as being a series of carefully considered conversations with a purpose, we can start to see how the same approach can also be applied before entering into other types of negotiation in everyday life. Negotiation is not a chat, it is designed to move the person we are dealing with into a state where we begin to have rapport and empathy with them, with the ultimate goal being to have earned the right to work with them towards a solution. This takes care, skill, patience and high levels of emotional intelligence. So it is unsurprising that many of the finest negotiators I have worked with over the years have been women, although this fact seems to be largely ignored by Hollywood.



Ali Gill

About the author

A consulting psychologist and a triple Olympian in rowing, Ali works with boards of directors to strengthen relationships, enhance decision making and improve board effectiveness. She works extensively with FTSE100 boards on non-executive and executive effectiveness and as an advisor on matters of culture and behaviour.

She was an independent adviser to British Rowing for their internal review of culture (2016); adviser on culture to the Salz Review of Barclays Bank (2013) and co-authored Annex 4 of The Walker Review of Banks and Other Financial Service Institutions (2009): Psychological and behavioural elements in board performance. She is currently co-lead tutor and Advisory Board Member of the *Financial Times* Non-Executive Director Diploma and an advisory board member for *Governance & Leadership* magazine.

Contact details:

Mary O'Connor
Head of Client, Industry and Business Development and
Global Head of Financial Institutions Group
Mary.OConnor@willistowerswatson.com

Alexander Van Kuffeler
Head of Financial Institutions Group, EMEA
Alexander.Vankuffeler@willistowerswatson.com

Andre Van Hooren
Head of Financial Institutions Group, Western Europe
Andre.Van.Hooren@willistowerswatson.com

Christopher Nelson
Head of Financial Institutions Group, Australasia
Christopher.Nelson@willistowerswatson.com

Jonathan Bush
Head of Financial Institutions Group, GB
Jonathan.Bush@WillisTowersWatson.com

Michael O'Connell
Head of Financial Institutions Group, North America
Michael.OConnell@willistowerswatson.com

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