

Wage negotiations, not wage war

Negotiation skills are sorely lacking in a country where wage talks often turn into war talks. In South Africa confrontation and desperation obstruct settlement, TERRY BELL explains.



Prof Barney Jordaan

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OVER THE PAST 30 years, there has been a great deal of scholarly attention paid to the theory and practice of negotiation. But even a superficial glance at the recent bitter disputes within the public sector reveals that very little seems to have been learned, especially within the ranks of the country's largest employer: government.

All too often, crucial negotiations are handled by people who have little experience, or who come to the table with the experience of mediation as war by other means. Subjective perceptions rather than an awareness of objective reality can quickly pollute the atmosphere.

This is one reason that it is an almost accepted fact of life in South Africa that a strike season accompanies the annual period of wage negotiations; the art — and, indeed, science — of negotiation is sorely lacking on the home front. Not only in the field of wages and conditions bargaining, but also between and within companies and corporate divisions.

It is against this background that USB Executive Development, in conjunction with the Africa Centre for Dispute Settlement (ACDS) of the University of Stellenbosch Business School, established a programme in commercial negotiation in late 2008. These five-day programmes provide participants with the opportunity to learn how to prepare and approach negotiations in a manner "that ensures that you get the best possible deal for yourself and continue working long-term with the other parties involved".

Given the ongoing global economic storm, such skills will become increasingly critical as government, commerce, industry and the trade unions try to keep our economy and ship of state afloat.

ACDS head Professor Barney Jordaan points out that the programme attempts to get participants to see the benefits of collaborative techniques and mindsets. In this, he admits, it is often necessary to 'unlearn' confrontational and competitive approaches.

Of course, in these times of global economic crisis, there is often an element of

desperation on both sides during talks, especially on wages and conditions. Employees want desperately at least to keep pace with not just past, but often feared future inflation; employers want, equally desperately, to hold down costs.

Looked at simply, this is a recipe for confrontation, for a knock-down, drag-out battle. Lines are drawn and the adversaries square up to one another, with each side



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sides are satisfied. Otherwise, it's a rip-off".

And the "rip-off" can go either way. The common denominator is the fact that it leaves a bitter taste in the mouth of the offended party. This, in turn, tends to encourage a determination to ensure vengeance and non-cooperation in any future relationship.

To avoid such problems in any commercial negotiation requires considerable planning and foresight along with a willingness and ability to defuse awkward or fractious moments. Jordaan compares this to inviting people to a dinner: to ensure success, "you invite the right people and put together the right menu". Such a menu should be scrupulously prepared and comprise multiple proposals.

This means that it is generally necessary to:

- Establish a coordinated negotiation strategy;
- Train an internal negotiation team; and
- Concentrate on the issues at stake, not on personalities.

Once at the table, it is vital that successful negotiators:

- Avoid adopting positions, and focus instead on the interests of the opposing side;
- Generate debate about a variety of options before moving toward agreement; and
- Insist that any agreement be based on the objective criteria discussed.

Given the range of recent industrial disputes, it is also essential that employers recognise that, despite the often radical rhetoric, trade unions are not enemies of the existing system, but part and parcel of it; that it is as much in their interests as those of owners and shareholders that enterprises survive and thrive. ^a

involved in points scoring. This frequently results in much grandstanding, employer negotiators playing to a shareholder audience or, in the case of the recent public sector dispute, to the voting public; their union counterparts, playing to their members. Simplistic charges and counter-charges take the place of rational debate.

However, even during more commercially clement times, many disputes were settled only after considerable damage had been done. And herein lies the rub: damage. To interpersonal relations, group relations and, above all, to financial resources and productivity. Corporate mergers and takeovers, let alone wage negotiations, are littered with the damaging results of the win or lose attitude to negotiations.

Yet the concept of negotiation implies give and take, of willingness to seek a settlement that is satisfactory to all sides; in other words, a fair settlement. This means seeking — and agreeing on — the best possible balance between the financial, human, natural, social and technological assets of capital.

This point was underlined recently by Judge Mervyn King, speaking as chair of the Netherlands-based Global Reporting Initiative. He noted that these five capital assets had "become critically interdependent". He could just as accurately have said that they have always been interdependent; although he did admit that all parties have now to seek ways to make more with less.

In other words, the conditions of today make sound, fair negotiation more important than ever before. As Carol Roux, known throughout the Western Cape wine industry as "the negotiator", operating both for the Wade Bales and Diners Club wine societies, notes: "You walk away with a deal when both

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