Negotiation Skills and Strategies for IT Leaders

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Outcomes

• Understand how shared facts, context, and values underlie win-win negotiations
• Understand common strategies for effective win-win negotiations with others
• Explore the basics of win-win negotiating through role-playing
Lessons From a Decade of IT Failures

The takeaways from tracking the big IT debacles of the last 10 years

Ten years ago, IEEE Spectrum published “Why Software Fails,” an article that examined the underlying causes of notable project failures. A couple of years later, we started the Risk Factor blog, with the goal of tracking technology failures both large and small.

To commemorate the last decade’s worth of failures, we organized and analyzed the data we’ve collected. We cannot claim—nor can anyone, really—to have a definitive, comprehensive database of decades. Instead, from the incidents we have chronicled, we handpicked the most interesting and illustrative examples of big IT systems and projects gone awry and created the five interactive featured here. Each reveals different emerging patterns and lessons. Dive in to see what we’ve found. One big takeaway: While it’s impossible to say whether IT failures are more frequent now than in the past, it does seem that the aggregate consequences are worse.
June 22, 2007

'The Most Poisonous Force in Technology'

By DAN CARNEVALE

Are large technology departments slowing the progress of mankind? That may be the case, said Walt Mossberg, personal-technology columnist for The Wall Street Journal, during a speech to a group of college presidents and other administrators. His speech was part of The Chronicle's Presidents Forum, where he highlighted technology trends.

Mr. Mossberg touched a nerve when he called information-technology departments of large organizations, including colleges, "the most regressive and poisonous force in technology today."

They make decisions based on keeping technology centralized, he said. Although lesser-known software may be better, he said, technology departments are likely to use big-name products for their own convenience. Sometimes that may be necessary to keep costs down and to secure the organization's network, he said. But it puts consistency above customization, preventing individuals from exploring what technology products are best suited to their own needs.

After the speech, he elaborated in an interview, saying that big departments act as impediments to the adoption of new technology.

"Their inclination is they don't want to learn it because they don't want to support it," Mr. Mossberg said. "It's part of the problem of centralizing all this stuff."

The Chronicle asked several college officials what they thought of Mr. Mossberg's remarks.
College 2.0: The Incredible Shrinking CIO

College-tech leaders fear that exclusion from strategic planning will raise costs and hurt institutions

By Jeffrey R. Young May 09, 2010

As the influence of technology rises, at some major universities the influence of the people in charge of it seems to be seeping away. At the Massachusetts Institute of Technology, for instance, the top technology official had long held the rank of vice president, until last year when the position's title was changed to "head of information systems and technology." That put the chief information officer on the outside of the president's cabinet, looking in. The University of Chicago downgraded the rank of its top technology official last year. Cornell University plans a similar move.

One longtime technology leader calls this phenomenon "the incredible shrinking CIO." The chief information officer seems to be diminishing in importance at some institutions even as more chores, like running emergency notification systems, are added to the job. This downgrade in rank is going to hurt universities, some officials tell me, because it will make strategic management of IT services harder and that kind of management is the only way to keep costs under control.
“What are some of the common mismatches between expectations and resources that confront IT leaders at your institution?”

Discussion Item
Part 1

Negotiating 101
The Facts about Negotiation

- Negotiation is something that everyone does, pretty much on a daily basis – it’s a part of our collaborations
- Negotiations can be about:
  - Agreeing on how to share or divide a limited resource
  - Creating something new or different than either party can create on their own
  - Resolving problems or disputes that exist between ourselves and others
- Parties negotiate instead of
  - Fighting openly
  - Capitulating to something they disagree with
  - Breaking off contact permanently
  - Taking their dispute to a third party

Source: Karren (2012), Thompson (2013)
Characteristics of Negotiation

- There must be two or more parties
- There is a conflict of needs or desires between the parties
- Parties will engage in negotiation in order to improve upon what they could simply get by not negotiating
- Parties expect a mutual “give and take” process
- Differences between parties in a negotiation likely encompass:
  - Differences in objectives
  - Differences in expectations
  - Differences in risk tolerance
  - Differences in time preferences

Source: Thompson (2019)
"(Negotiation is) An interpersonal decision-making process necessary whenever we cannot achieve our objectives single-handedly"

Leigh Thompson
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Modes of Negotiation

• The Competitive Negotiation
• The Organizational Negotiation
• The Personal Issue Negotiation
• The Collaborative Negotiation

Source: Kansas (2022)
The Competitive Negotiation

- Not necessarily adversarial, but parties are often oppositional to one another
- More competitive than collaborative, typical of buy-sell transactions
- Focus on is on improving one’s position relative to the other parties, often at their expense
- Long-term relationship between parties is less critical as a outcome of the negotiation (not workplace friendly)
- Use of different tactics (bluffing, deception) are often engaged

Source: Kassa (2022)
The Organizational Negotiation

- Parties are not simply representing themselves, but represent a larger organization with competing interests embedded within it.
- Parties at the negotiating table often do not have the final authority on whether to approve or accept a final deal or agreement (unseen others at the table).
- What happens at the bargaining table affects others behind the scenes throughout the organization.
- Understanding the wants, needs, desires, and impacts of possible solutions on the unseen others is key to successful agreements.

Source: Kaman (20XX)
The Personal Issue Negotiation

• Other, more intangible satisfiers are key to negotiating a successful outcome
• Key motivating factors for all parties include
  • Desire to feel good about themselves
  • Desire to be recognized and accepted
  • Desire to know and feel that what they are doing matters
  • Desire to be heard, treated fairly, and regarded with dignity
• Successful negotiators must be sensitive to these issues and know that satisfying them often leads to “yes”

Source: Kaman (2002)
The Collaborative Negotiation

- Based on the premise that long-term relationships are key for all parties at the table
- Leads to a resolution of differences while simultaneously building stronger, more innovative relationships
- Often results from new, innovative ideas that were previously not considered and results from collaboration between all parties at the table
- Key to success is that parties continue to search for new solutions, without falling back to a deadlock or impasse

Source: Kaman (2013)
Keys to Successful Negotiations

- Know what you REALLY need to be successful, and understand the same for other parties at the table
- Know the objectives and motivations of other parties
- Consider the impact of timing and method of the negotiation
- Prepare your case . . . point by point. Prepare!
- Look for points of agreement first, and stress those to start
- Understand the consequences and impact of different options on all parties at the table
- Offer options, not ultimatums
- Get comfortable with silence, don’t add unnecessary pressure to conclude the negotiation quickly
- Document the final agreement in writing

Source: Kansas (2002)
Role-play #1

The ERP Requirements / Resources Mismatch
Negotiation: Key Concepts

- In a competitive negotiation
  - Always leave room for give and take
  - If you make a concession, you must get something in return
  - Make many small concessions
- In an organizational negotiation
  - Don’t be afraid to say “I have to get my bosses ok with this” or “there is no way that my boss would ok this”
  - If possible, communicate with unseen stakeholders on the other side before the negotiation begins
- The Personal Issue Negotiation
  - Realize that what you do in the negotiation affects your long-term relationship with the other side and how they will abide by the agreement and negotiate on other issues
- The Collaborative Negotiation
  - Did you search for an alternative solution together? If the answer is no, odds are you were in a competitive negotiation

Source: Kuman (2022)
Role-play #1 Discussion

- How many teams?
  - Registrar won both issues?
  - CIO won both issues?
  - Each side prevailed on one issue?
  - Reached an impasse, and no decision was made?
Part 2
The Importance of Shared Understandings
Differences are based on . . .

- Assumptions
- Facts
- Means
- Goals
- Values

Source: Kamael (2022)
“Identify the different assumptions, facts, means, goals, and values lying underneath the relationship between the CIO and the Registrar in Role-play #1”

Discussion Item
Our Perceptions are Based on . . .

• Our experiences and position
• Our emotions
• Our concerns and hopes
• Our expectations
• The information we have
• Our communications with others
• Our resources or assets
• Our alternatives
• Our attitudes and relationships to others across the table
• Our cultural background
• Our forecasts and estimates

Source: Kumar (2022)
On a daily basis we negotiate

- Respect
- An open mind
- Giving something personal of oneself
- Positive attitudes toward cooperation and collaboration
- A willingness to give others the benefit of the doubt
- Reasonable access to one’s time and attention
- Trust and acceptance
- Reliability and credibility

Source: Kamao (2001)
Downward relationship spirals start

• When we have a strong disagreement with others
• And that disagreement becomes emotional
• If compromise requires one side to "lose face"
• When one stop listening and trying to understand others

Source: Krames (2022)
The Credibility Cycle

Initial Credibility

+ Credibility

Results

Resources & Expectations

Outcomes

Reduced Credibility

Cycle of Overcommitment and Underperformance

Diminished Authority

“What are some of the common behaviors or interventions that can prevent and reverse downward relationship spirals?”

Discussion Item
People have dominant behavioral styles

• In general, individuals naturally exhibit a dominate behavioral type, there are those
  • Who create ideas and drive the accomplishment of the idea (the controller)
  • Who promote ideas and advocate for them (the persuader)
  • Who fulfill ideas and do the work (the stabilizer)
  • Who assure us our ideas are sound (the analyzer)

Source: (2006), Effectiveness Institute
The Controller

- Focuses on results
- Has a need for control
- Loves to use conflict
- Not the best listener
- Respects efficiency and brevity
- Wants immediate results

Source: Brereton (2006), Effectiveness Institute
When working with Controllers

• **Do**
  - Ask direct and clear questions
  - Present the facts and be concise
  - Present options, focusing on the objective
  - If disagreeing, never personalize it – focus on the facts

• **Do Not**
  - Engage in chit-chat at the start of the meeting
  - Ask questions that are off topic
  - Be disorganized or ambiguous
  - Make unrealistic commitments or guarantees

Source: Breveggio (2006), Effectiveness Institute
The Persuader

• Focuses on people
• Has a need to be liked
• Very strong verbal skills
• Hates rules and processes
• Wants to get acquainted, have fun
• Wants approval and praise

Source: Beveridge (2006), Effectiveness Institute
When working with Persuaders

- Do
  - Allow time to get to know them personally
  - Establish a broad framework for your discussion
  - Listen to their ideas and goals
  - Provide references from people who they respect or consider influential
- Do Not
  - Expect them to always be on task
  - Start the discussion with a recitation of facts or hard data
  - Become impatient with them
  - Rely on technical specifications to make your point (or get buy-in)

Source: Beverage (2006), Effectiveness Institute
The Stabilizer

- Focuses on relationships
- Has a need to feel secure
- Exceptionally good at maintaining harmony
- Finds it difficult to move quickly
- Needs to be understood
- Is motivated through appreciation

Source: (Beverage, 2006), Effectiveness Institute
When working with Stabilizers

• Do
  • Establish rapport through casual interactions
  • Make sure they are comfortable around you
  • Ask them questions to elicit their opinions
  • Show them how they can minimize risks

• Do Not
  • Try to manipulate or overpower them
  • Move straight to business or the main issues
  • Expect an immediate response from them
  • Make too many decisions for them

Source: Blervage (2006), Effectiveness Institute
The Analyzer

- Focuses on quality, accuracy, and perfection
- Has a need to be right
- Uses facts, data, history well
- Finds it difficult to advocate a position
- Desires support of their standards and practices
- Is motivated with facts and data

Source: Beveridge (2006), Effectiveness Institute
When working with Analyzers

• Do
  • Use a direct, yet diplomatic approach
  • Take your time, but stick to business
  • Be prepared, know your subject matter
  • Keep all promises

• Do Not
  • Attempt to be manipulative
  • Be disorganized or uninformed
  • Attempt to persuade through overly personal or expressive means
  • Apply pressure to rush the decision-making process

Source: Beverly (2000), Effectiveness Institute
The relationship building cycle

- Being heard and listened to
- Exchanging viewpoints, ideas, and concerns
- Negotiating differences and disagreements
- Reinforcing positive relationships

Source: Kamaa (2022)
Separate the person from their position

- Understand that all workplace negotiations must be relationship-based
- When disputes arise, quickly agree to work jointly until a win-win solution can be ascertained
- Open any negotiation by discussing common interests, goals, and values – those things you have in common
- Speak up quickly against any personal or snide comments made by anyone in the room

Source: Karna (2022)
Separate the person from their position

- Know the work that others do. Understand the picture in their head. Focus on their needs and problems, not just your own
- Never throw “garbage on their lawn”
- Separate the search for new ideas from how their costs or benefits are to be distributed or shared
- Prepare, practice, and practice again

Source: Kamm (2022)
Role-play #2
Preventing the Next Information Security Crisis
Rules for Relationship-based Negotiation

- You always have some leverage
- You must understand your sources of power and influence
- Appreciate the difference between wants and needs
- Good notes and meeting summaries build trust
- Don’t hope for the best
- There is always a story
- Covering-up differences won’t work long-term
- Your assumptions are probably wrong
- Important negotiations sometimes need a devil’s advocate
- Avoid threat, bluff or bluster
- Workplace agreements are always open to re-negotiation
- Never open with a chip on your shoulder

Source: Karnes (2022)
Role-play #2 Discussion

• How many teams?
  • Financial Aid prevailed?
  • CIO prevailed?
  • A win-win accommodation was reached?
  • Reached an impasse, and no decision was made?

• Regarding behavioral styles
  • What can you infer about the CIOs’ predominant style? About the financial aid director’s predominant style?
  • What mutual understandings were / could have been made in order to arrive at a win-win accommodation?
Part 3
Strategies for Creating Win-Win Solutions
IT Leaders Influence When They

- Draw attention first to their service to others
- Over-communicate with their constituents
- Apologize and accept responsibility for screw-ups
- Get out of their office and spend time on the ground
- Are asked to sit at the table rather than demand it
- Communicate with others on their terms, not yours
- Work collaboratively to set boundary's, then enforce them
IT Leaders Influence When They

• Do the hard stuff that others would rather not do
• Frequently check-in with all major constituents
• Are self-aware of their own limits, and delegate to others
• Make it a point to let others make the decisions
• Back channel with important others before negotiations
• Get their “own hands dirty”
• Be accommodating, but don’t let others take advantage
IT Leaders Lose Influence When They

- Blame external factors for screw-ups
- Use outside facts and data inappropriately
- Take something away that is vital to others
- Fail to appreciate how little they may actually understand
- Don’t keep “give and take” equalized across the board
- Blind-side superiors (or others) with bad news
“How can use of informal (relationships) and formal (governance) mechanisms to balance expectations and resources at the wide-variety of institutions represented in this seminar?”

Discussion Item
Tips for Effective IT Governance

- Make sure you understand your institution’s culture
- What is the decision-making authority of the CIO?
- Business owners must embrace and own IT services
- But business ownership doesn’t mean technical ownership
- Leadership is about new ideas and rallying others
- Values and collegiality drive effective IT governance

Role-play #3
The Shared Services Staff Consolidation
Successful IT Leaders Negotiate By

- Understanding that long-term relationships are the key to managing expectations and resource commitments
- Agree at the onset, to continue collaborating until a win-win solution can be identified
- Create context for successful negotiations by stressing common values, goals, and interests
- Don’t allow difficult issues to be personalized
- Understand the needs of others outside the IT organization and focus their efforts there
- Refusing to use past mistakes or problems to create leverage in a new negotiation
- Find solutions first, before arriving at ways that costs, resources, or benefits are to be shared

Source: Kamaa (2022)
Role-play #3 Discussion

• How many teams?
  • Made an agreement?
  • Made an accommodation?
    • On what basis?
  • Reached an impasse?
• How could effective IT governance be leveraged long-term to make sure these change initiatives are successful?
Key Ideas

• Negotiation is apart of our daily lives as IT leaders
• Strong organization performance is rooted in strong matches between expectations and resources
• Long-term relationships are key to managing expectations and resources
• Differences are rooted in differing assumptions, facts, means, goals, and values
• People must be separated from their position
• Relationships are based on listening and being listened to
• Behavioral styles can underlie relationship challenges
• Good governance can create the right context for win-win negotiations
“What part of this seminar can you take home immediately and put to good work in your day-to-day negotiations next week?”

Discussion Item
Final Questions
Key Sources

• Morris Beverage (2006)
  • “Balanced Leadership: The Importance of Behavioral Styles
    (EDUCAUSE Workshop, materials under license from Effectiveness
    Institute)”

• Marianne Broadbent and Ellen Kitzis (2004)
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• Chester L. Karrass (2012)
  • Negotiating Effectively within Your Own Organization

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  • The Truth about Negotiations

• Peter Weill and Jeanne Ross (2004)
  • IT Governance: How Top Performers Manage IT Decision Rights for
    Superior Results