

# **Unit 42: Negotiate in a Business Environment**

**Unit reference number: H/506/1912**

**QCF level: 3**

**Credit value: 4**

**Guided learning hours: 18**

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## **Unit summary**

Negotiation skills are vital when working in a business environment. Negotiation means effectively being able to articulate your position on issues to gain support from others, generate multiple alternatives to a problem and to present these in an effective way.

An effective negotiator works to achieve 'win/win' outcomes that others can accept and utilises skills such as diplomacy and compromise. Negotiation is based on good communication skills; however, there are a number of tools and techniques that can be used for effective negotiation. Negotiating is about achieving results, but is not necessarily about being results-oriented.

In this unit, you will learn how to develop relevant and appropriate strategies for successful negotiation. You will demonstrate skills, behaviours, and the use of negotiation techniques to resolve different situations within a business environment. You will consider the effectiveness of the negotiation techniques and explore the benefits of researching other parties involved before negotiations taking place. You will take part in negotiations within a business context and apply identified negotiation strategies and techniques to conclude negotiations and achieve objectives.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

Learning outcomes	Assessment criteria
<p>1 Understand the principles underpinning negotiation</p>	<p>1.1 Describe the requirements of a negotiation strategy</p> <p>1.2 Explain the use of different negotiation techniques</p> <p>1.3 Explain how research on the other party can be used in negotiations</p> <p>1.4 Explain how cultural differences might affect negotiations</p>
<p>2 Be able to prepare for business negotiations</p>	<p>2.1 Identify the purpose, scope and objectives of the negotiation</p> <p>2.2 Explain the scope of their own authority for negotiating</p> <p>2.3 Prepare a negotiating strategy</p> <p>2.4 Prepare fall-back stances and compromises that align with the negotiating strategy and priorities</p> <p>2.5 Assess the likely objectives and negotiation stances of the other party</p> <p>2.6 Research the strengths and weaknesses of the other party</p>
<p>3 Be able to carry out business negotiations</p>	<p>3.1 Carry out negotiations within responsibility limits in a way that optimises opportunities</p> <p>3.2 Adapt the conduct of the negotiation in accordance with changing circumstances</p> <p>3.3 Maintain accurate records of negotiations, outcomes and agreements made</p> <p>3.4 Adhere to organisational policies and procedures, and legal and ethical requirements when carrying out business negotiations</p>

## Unit amplification

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### **AC1.1: Describe the requirements of a negotiation strategy**

- *Negotiation strategies:* types, e.g. problem solving, contending, yielding, compromising, inaction
- *Components of a negotiation strategy:* process, e.g. prepare, discuss, clarify goals, propose, negotiate, agree, implement action; approach, e.g. hard, soft, assertive, empathetic
- *Desired negotiation outcomes:* defeat other party, collaborate, accommodate, withdraw
- *Requirements of negotiation:* e.g. reach an understanding, resolve points of difference, to gain advantage, craft outcomes that satisfy interests
- *Consequences of negotiation:* win, lose, alternative solutions

### **AC1.2: Explain the use of different negotiation techniques**

#### *Negotiation techniques*

- *Pre Negotiation:* problem analysis, e.g. interests of other party; preparation, e.g. identifying negotiation goals and outcomes, conducting research on other party, setting negotiation parameters and fall-back position, confirming available resources
- *During Negotiation:* active listening, e.g. body language; emotional control, e.g. head over heart; verbal communication, e.g. clear, effective, state desired outcomes, questioning, exercising silence; collaboration and teamwork, e.g. working towards mutually agreeable solutions; problem solving, e.g. solving the problem rather than focussing on the goal; decision making, e.g. being decisive; interpersonal skills, e.g. forming working relationships, patience, powers of persuasion; ethics and reliability, e.g. maintaining ethical standards, trust, executing promises and agreements

### **AC1.3: Explain how research on the other party can be used in negotiations**

- *Other party:* colleague, direct report, management, e.g. middle, senior, executive; customers, suppliers
- *Research uses:* inform your negotiation strategy, gain advantage
- *Research areas:* who they are, interests, strengths and weaknesses, performance, expected outcome, negotiating style, what they have to trade, perceived needs, issues that can influence their outcome, potential barriers to negotiation

**AC1.4: Explain how cultural differences might affect negotiations**

- *Cultural differences:* people, e.g. religion, nationality, past experiences; businesses, e.g. operations, ethics, reputation; nations, e.g. language, infrastructure, government
- *Affects:* proactive, e.g. appropriate communication, appropriate negotiation style; reactive, e.g. risk of misunderstanding or misinterpretation

## Information for tutors

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### Suggested resources

#### Books

Borg, J. – *Body Language: 7 Easy Lessons to Master the Silent Language*, (Pearson, 2009) ISBN 9780137002603

Borg, J. – *Persuasion: The Art of Influencing People*, 3rd Edition (Pearson, 2010) ISBN 9780273734161

Boynton, A. and Fischer, B. – *Virtuoso Teams: Lessons from Teams That Changed Their Worlds*, (Financial Times/Prentice Hall, 2005) ISBN 9780273702184

Goleman, D. – *Emotional Intelligence & Working with Emotional Intelligence*, (Bloomsbury Publishing, 2004) ISBN 9780747574569

#### Websites

[www.entrepreneur.com](http://www.entrepreneur.com) – the website of the Entrepreneur magazine, providing various articles, including negotiating in business

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the *Unit Assessment guidance* and the requirements of the Assessment Strategy below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership, in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements of the unit. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

For learning outcome 1, assessors should ensure learners adhere to the use of command verbs such as “describe” and “explain”. Guidance may be needed to clarify requirements of command verbs before assessment activities are planned.

For AC1.1 and AC1.2, assessors should consider capturing evidence of knowledge and understanding through well-structured and pre-planned professional discussions or question and answer (Q&A) sessions that enable learners to demonstrate a full understanding of the requirements of a negotiation strategy and techniques. The professional discussion or question and answer sessions should be set in the context of the learner’s work as far as possible to provide the opportunity for the learner to link and apply their knowledge and understanding to their work activities.

For AC1.4, assessment could include discussions or oral question and answer sessions providing opportunities for the learner to explain how they have considered cultural differences in negotiation strategies. Assessors could have the opportunity to capture the consideration of cultural differences through observations of negotiations. This could be supported with a question and answer session to the learner about how cultural differences affected their negotiations or could have affected their negotiations, depending on the situation.

Learning outcomes 2 and 3 could largely be assessed through work products. For AC2.1, AC2.3 and AC2.4 learners could provide naturally occurring evidence such as negotiation plans, project plans or documented negotiation objectives. Where naturally occurring evidence is available for assessment, this will provide opportunities to holistically assess; however further professional discussion could be required in order to confirm competence when preparing and using negotiation strategies in their role.

Depending on the style of the negotiation (formal or informal), learners may or may not generate naturally occurring evidence, therefore alternative methods of assessment will be required.

For AC2.5 and AC2.6, work product evidence could take the form of research notes on the other party, which have been used to inform negotiation strategies. This could be combined with AC1.3 to give learners opportunities to provide examples of research activities undertaken and what they have learned about other parties.

For AC3.3, the learner could demonstrate the maintenance of records through work products. For example internal and/or external communications such as meeting minutes and emails, supplemented with witness testimonies from colleagues who have been present during these negotiations.

For AC2.2, evidence could include professional discussions surrounding responsibilities and scope for negotiations, alternatively, learners can choose to present detailed reflective accounts for assessment. Assessors are encouraged to assess AC2.2 early into this unit, outcomes of which could inform assessment plans for other assessment criteria, particularly in learning outcome 1.

For AC3.1 and AC3.2, opportunities for direct observation could be available to assess competence when applying appropriate negotiation techniques. Where opportunities to observe are not possible, learners can choose to provide detailed reflective accounts of situations where they have taken part in negotiations with other parties, supported with witness testimony to confirm validity. This evidence could provide links to AC1.2 and AC1.3 through learner reflection on their use of research into other parties, the use of negotiation techniques and the effectiveness of these processes.

For AC3.4, learners should be able to confirm adherence to policies and procedures in the context of their role and the negotiations being assessed. This could be assessed through reflective account, supported with witness testimony to confirm validity. Policies and procedures could relate to communications, human resources (employment law), business planning and objectives or organisational values. Ethics could be assessed in conjunction with AC1.4 and associated assessments of competence where cultural differences have been considered in negotiations.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.