

ETHICS in Procurement Business Negotiation

7.0 Introduction

This chapter introduces students to contemporary issues in negotiation like ethics, e – negotiation and telephone negotiation. Students will be able to appreciate the impact of these issues on effective negotiation

Learning Objectives / Outcomes

At the end of this chapter students will be able to:

1. Describe the basic concepts of negotiation ethics
2. Evaluate the role and impact of the contemporary issues on the negotiation performance
3. Design applicable and relevant solutions to various challenges and problems of encountered in the contemporary issues discussed in this section

7.1 Ethics in negotiation

Negotiation is about many things. One of its central elements is convincing others to accept the accuracy or reality of information that will influence their decision. Most negotiators know that it is, indeed, possible to influence people by lying to them. But good negotiators also realize that when other parties find out they have been on the receiving end of lies, the lying negotiator's credibility goes down.

Unethical behaviour in negotiations

- Lying is a way negotiators can behave badly.
- Working on people who are at a disadvantage in other ways psychologically needy.
- Convincing uninformed people to acceptance is also unethical.
- Taking advantage of people who are insecure in their understanding of their relative power in the negotiation.
- Taking advantage of people who are unaware of their rights and/or protections available offers unscrupulous negotiators further ways to work unethically to achieve their goals. Here again, the techniques associated with these sorts of circumstances can convince people to make agreements that are against their interests. The question has to be, is this unethical behaviour an appropriate approach to negotiation?
- Misrepresentation of persons is also unethical
- Making people sign contracts under improper guidance
- Taking advantage of one's language barrier
- Quoting wrong prices to management by negotiators
- Etc

Negotiation is not a competitive sport. In competitive sports, the object is to end up winning the game, the race, or the event. Negotiators who focus on treating other parties as opponents run the risk of ending up with reluctant counterparties to whatever agreements may be reached. Unless all the parties are fully committed to their agreement, it may well fall apart; in those circumstances the negotiation has failed.

The ethics of negotiation should be based on several understandings/principles

- Reluctant partners make undependable partners, so treating negotiation partners with respect and honesty simply makes common sense.
- Negotiators need to recognize up front that the only reason to use negotiation to resolve a conflict, agree on a project, or conclude a sale, is because other parties may be able to add value an individual or a single company cannot do acting alone.
- Transparency in the negotiation process is far more likely to bring about buy-in than hidden agendas or tricky manoeuvres.
- Other parties have feelings

Thus the Golden Rule of treating others as you would wish to be treated has the bottom line value of increasing other parties' enthusiasm about negotiating with you as well as their enthusiasm about the ultimate agreement.

Good negotiation ethics:/ethical dimensions for effective negotiation

- Honesty
- Transparency
- Respect for others are all genuinely pragmatic approaches to use. A negotiator's reputation is not unlike that of a restaurant: if you have a bad meal, you are not likely to return. And a negotiator with whom others don't want to deal with is effectively out of business.
- Integrity
- Confidentiality should be maintained among members
- Competition should be allowed
- Gifts and hospitality not be accepted or accepted under clear terms
- Environmental concerns adhered to
- Healthy and safety concerns adhered to.

Can Negotiation Be Ethical? / why negotiations cannot be ethical

Arguments that negotiation cannot be completely ethical include:

- It is commonly believed that successful negotiation is enhanced by the successful use of deceitful tactics, such as bluffing and outright misrepresentation.
- Negotiators have the responsibility of obtaining the best results for those they represent
- What is ethical is affected by cultural factors such as bribery and deception that may be acceptable in some global negotiations that "when in Rome, do as the Romans do".
- Self – interest is the most powerful of all motivations in negotiations – few negotiations can be wholly unselfish
- Ethical negotiation is an idealistic concept that does not work in practice
- Sharing information may put a negotiator at a disadvantage

Questions

1. What are some of the practises that you would consider unethical during negotiation?
2. Highlight the likely causes of unethical practices during negotiation.

3. Give suggestions of measures that can put in place ethical behaviour / practices during negotiation.

Importance of being ethical during negotiations

- Good image or reputation
- You get more deals and clients
- It increases profits
- Client loyalty
- Prevents issues of litigation
- It earns trust and fair treatment
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