

5 ways managers can enhance their mediating skills

By adopting a mediator mindset, managers can overcome impasses, negotiate positive outcomes and enjoy better business relationships.



July 1, 2017

By [Kandarp Mehta](#) and Ignacio Ripol

Negotiating is a skill that every manager needs to master, not only because it can help to solve problems and create value, but because thwarted negotiations undermine value, sap morale, waste resources and even escalate into greater conflict. Many leaders believe they are expert negotiators simply because they have had a lot of practice at it. But negotiating a *lot* is not the same as negotiating *well*.

Some managers may view themselves as good negotiators for their fierce ability to defend their own interests and their strong track record of wearing the other side down until a “win” is achieved, usually in the form of forcing their opponent to accept something of lesser value. But there is more to it than that. When negotiations are combative — predicated on win-lose rather than win-win — they frequently break down.

For this reason, managers would do better emulating the skills of the mediator. Mediation is more about reconciling interests than it is about merely defending one’s own. By reconceptualizing the terms of negotiation, managers are more likely to achieve a satisfactory outcome that pleases both sides.

Why do negotiations frequently break down or fail?

The reasons why some negotiations do not end in agreement are many and diverse, but here are the main obstacles:

- **Different perceptions.** The factor that tends to fuel most conflict is each party having a wildly different perspective on the matters under negotiation — from basic facts to the financial costs, the balance of powers, the needs and priorities of each party, and the probable outcome. One element that is often perceived very differently by the parties is the question of fairness. Negotiating an outcome that seems fair to both sides can be more important than the financial advantages or disadvantages it creates.
- **Cognitive biases.** Parties can act or react irrationally during a negotiation. This is due to cognitive biases, which can lead to illogical or inaccurate interpretations of the negotiation. Cognitive biases can take a variety of forms:
 - Selective interpretation of information in a way that benefits your own interests.
 - Overconfidence in your own arguments.
 - Unrealistic expectations about what can be achieved.

- Lack of interest in the perspective or interests of the other party.
- Loss aversion, preferring to avoid losses over acquiring equivalent gains, and refusing to yield beyond initial expectations.
- Distrust in the offers made by the other party.
- **Emotions.** Many negotiators pride themselves on objectivity and rationality, believing that emotions such as anger, frustration, envy or guilt are embarrassing distractions. But emotions like these do play a role. Rather than ignoring them, an emotionally intelligent negotiator will acknowledge their own emotional states as well as those of the other party. This will minimize their disruptive effect, while providing insights for more emotionally satisfying outcomes.
- **Strategic barriers.** There are two ways of seeing a negotiation: as a simple win-lose proposition, in which one side gains at the other's expense; or as a win-win process whereby each party comes up with creative options in pursuit of mutual benefits. The first view sets up an automatic barrier: your only concern is to obtain the most for yourself and not be the one who loses out. In the end, somebody ends up feeling less than satisfied with the result, assuming the negotiation doesn't completely break down before then. Another strategic barrier may be that the interests of the negotiator and those of the person or organization that the negotiator represents are not aligned. Again, if the negotiator is pursuing personal interests that are not in the best interest of the company, the result will be unsatisfactory.

OBSTACLES	TECHNIQUES
DIFFERENT PERCEPTIONS OF:	
■ basic facts ■ the merits of each party's respective position ■ the risks	■ Exchange information and seek help in interpreting it ■ See the strengths of each other's arguments as well as the weaknesses ■ Evaluate the consequences of not reaching an agreement
COGNITIVE BIASES	
■ selective interpretation ■ overconfidence ■ unrealistic expectations ■ lack of interest in the perspective or interests of the other party ■ loss aversion ■ distrust of the other party's offers	■ Use objective criteria to analyze arguments/positions ■ Focus on the weaknesses of your own arguments/positions and the strengths of the other's ■ Emphasize the benefits of reaching an agreement ■ Pursue mutually beneficial objectives ■ Frame offers and concessions in positive, optimistic terms ■ Be transparent
EMOTIONS	
■ feeling the need to vindicate yourself ■ negative emotions (anger, frustration, envy, guilt, embarrassment)	■ Encourage parties to openly express their feelings ■ Take the other party's feelings into account ■ Try to soften the impact of both parties' emotional concerns
STRATEGIC BARRIERS	
■ unwillingness to negotiate ■ entrenched positions ■ unaligned interests	■ Keep the negotiation period short and sweet ■ Demand commitment to the process ■ Ensure the presence of people with decision-making capacity ■ Make and demand offers ■ Identify the other party's intentions and try to clarify ambiguous moves ■ Warn the other party about the impact of their chosen action on the negotiation ■ Reformulate the other party's positions ■ Generate ideas and creative solutions to conflict ■ Avoid confrontation

For better negotiations, adopt a mediator mindset

To overcome these obstacles, managers need to leverage some of the skills and methods that mediators use to salvage stalled negotiations. Managers who learn how to apply a mediator mindset to the conflicts and disputes that arise around them will not only have better negotiation skills but will also be able to act with more neutrality. Consequently, they will be more trusted to resolve disputes within their organizations.

Here are five ways that managers can enhance their mediating skills:

1. **Active listening.** Active listening is vital. It requires being attentive and showing an interest in what the other person is saying, and paraphrasing key points to show you have understood the other point of view. It means not interrupting, not being overly critical, not questioning the other's arguments and not jumping in with unsolicited advice or rushing to judgment. Listening actively and empathetically makes it easier to generate trust, appreciate each other's positions and identify shared interests.
2. **Reformulation.** Taking into account different points of view makes it easier to get parties to change their stance on particular issues. Here, the focus is on moving people away from fixed positions and ultimatums, and guiding them toward common areas of interest. Instead of playing the blame game, reformulation focuses on finding solutions. It looks to the future, not the past. This is no easy task. It involves:
 - Asking questions in order to open up new avenues worth exploring.
 - Redirecting negative statements and shifting talk of problems to opportunities.
 - Putting vague statements into more precise terms.
 - Synthesizing points in common.
 - Simplifying complex arguments.
 - Avoiding categorical statements.
3. **Identifying interests.** Negotiating parties are rarely willing to disclose their interests to the other side. Mediators, by virtue of their neutral position, can help tease out the interests of the parties, and then get each side to think about their interests from the other's point of view. To do this, you have to know enough to ask, engage in the active listening mentioned earlier and pursue alternative lines of inquiry. It helps if this is done in a pressure-free environment.

4. **Evaluation.** When participants are too close to the process, they can lose sight of the big picture. For this reason, another vital skill in mediation is being able to step back and evaluate the pros and cons of reaching an agreement versus abandoning the process. By having a realistic assessment of the situation from a broader, outside perspective, participants gain a fuller appreciation of the stakes, which will help to concentrate minds on finding solutions.
5. **Optimism and persistence.** A manager must maintain an optimistic outlook, highlighting the progress achieved, rather than the differences still to be overcome. Managers must also keep communication channels open, be determined to reach an agreement and encourage everyone involved to adopt a similarly positive mindset.

Understand your role as mediator

As part of adopting the skills, traits and mindset of a mediator, managers must understand, appreciate and embrace the two key roles they play:

- **As facilitators.** The parties in dispute are the ones who know the causes of the conflict best. As such, they are best placed to find solutions to it. For this reason, the mediator's role is to facilitate communication between both sides. The mediator is not there to tell them what they should do. He or she must remain impartial, getting the two sides to articulate their own solution. This approach is particularly appropriate for conflicts in which the parties have close ties (e.g., family disputes) and must continue to work together after the settlement.
- **As evaluators.** Sometimes the mediator is expected to take a more active role. An evaluative mediator will consult extensively with the parties involved, then sum up the opportunities of a negotiated agreement versus the risks of not reaching one. A high level of trust is placed in the mediator, empowering him or her to be more proactive. This type of mediation works better in commercial conflicts. That said, every mediation has its facilitating and evaluative phases: it is sometimes said that a mediator should be a facilitator in the morning and an evaluator in the afternoon.

While many companies outsource this job to an external provider (which may make sense under certain circumstances), managers who are able to do some of this work themselves may help preempt some conflicts or at the very least improve relationships with their business partners, suppliers, customers and employees.

Viewing the manager's role through the lens of mediation enriches our conception of

management as a role that encourages alternative points of view and identifies creative solutions. This can be achieved by facilitating communication and information flows, helping people to consider interests other than just their own and being that voice of reason that reminds everyone of the consequences of not achieving desired goals.

Even when agreements cannot always be reached, managers as mediators will still work hard to overcome impasses and prioritize relationships based on trust, mutual understanding and common interests.

This content is exclusively for personal use. If you wish to use any of this material for academic or teaching purposes, please go to [IESE Publishing](#) where you can purchase a special PDF version of “[5 ways managers can enhance their mediating skills](#)” (ART-3056-E). It forms part of [IESE Insight magazine \(Issue 34, Q3 2017\)](#).

READ ALSO: [Bringing the outsider in: lessons from Kandarp Mehta on bridging today's divided world](#)



www.iese.edu/insight