

Postal strikes throw spotlight on value of negotiation skills

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Gripped by five strikes since 2011, and narrowly escaping a sixth in March, the SAPS situation highlights the need for good negotiation skills for businesses and consumers

The South African Post System narrowly escaped coming to a standstill in March yet again, as the Labour Court in Johannesburg granted the parastatal an interim interdict against the Communication Workers Union (CWU).

The CWU had served the Post Office with a certificate indicating its intention to begin a slow build-up to a fully-fledged strike. It would have been the second action since last year's three-month strike that cost the organisation over R350 million.

But, with five strikes gripping the SAPS since 2011, there's a good chance it will see trouble again. According to Barney Jordaan, a former professor of law who convenes the Maximising Value in Negotiation programme at the UCT Graduate School of Business (UCT GSB), the future of the post office, and a number of other vital business operations in the country, hinges on successful negotiations.

"The post office strike was nothing short of a disaster," says Jordaan. "There is no reason why the postal strike, or any strike for that matter, should take that long to resolve or result in such devastating consequences."

One of the biggest dilemmas in business negotiations is the tendency to approach the process as a competition in which the objective is victory over the counterpart, instead of a wise outcome, says Jordaan. Instead of thinking about how to best put together a deal that works for both parties in the long term, there is a desire to 'win' the negotiation at the expense of the other side, often at a much higher cost. Effective negotiators are able to craft deals that meet their core concerns, while creating and maintaining sustainable relationships with their counterparts.

"Poor negotiation skills also lead to a different type of value destruction in the form of value being left on the table: even if a deal is reached, it's in most instance not the best deal the parties were capable of putting together," he says. "But negotiating effectively is a skill that can be learnt. And with nearly every aspect of business involving negotiation, those who know how to make the most out of these opportunities will come out on top."

It is these skills that participants will learn on the UCT GSB Maximising Value in Negotiation programme, which runs in June. The three-day course includes negotiation style and strategy, effective negotiation behaviours and preparation best practice. Overall the purpose is to encourage a shift in the way participant's approach negotiations, helping them better address the people, processes and problem dimensions.

"Learning how to become a 'consciously competent' negotiator is vital for successful business," says Jordaan. "Otherwise, you will end up making a deal that isn't good for anyone. You'll either lose value, lose the relationship, or both."

In the SAPS example, bad negotiations could lead to a deal that falls through, a situation that would further impact the office and its consumers. Already, SAPS owes consumers R180 million in compensation linked to the 2014 strike.

But, the cost of bad negotiations isn't just a problem for the SAPS. It's a problem for all businesses. Research shows that less than 5% of managers are able to maximise value when negotiating, while as many as 20% of negotiations result in lose-lose outcomes. The rest tend to be sub-optimal.

Shocking statistics, according to Jordaan, and ones that could be improved by business leaders who do the basics right, set clear goals, prepare well and adopt the right mindset.

"Negotiating effectively is a skill that can be learnt. And with nearly every aspect of business involving negotiation, those who know how to make the most out of these opportunities will come out on top," he says. "Learning new approaches and skills is the easier part; unlearning ineffective behaviours is the hard part."

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