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# PROJECT COMMUNICATION & NEGOTIATION

## Negotiation in Project Management

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# Negotiation in Project Management

- **Aims**

- Importance of negotiation in project management
- Qualities for effective negotiation

- **Expected Outcomes**

- Role of Negotiation in project management can be understood.
- Qualities for effective negotiation can be understood.
- Different stakeholders in project negotiation can be understood.

- **Other related Information**

- Effective negotiation is required for successful completion of a project.

- **References**

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- Campbell, M. (2009), Communication Skills for Project Management, New York, NY: AMACOM.
- Hames, D.. (2012), Negotiation: Closing Deals, Settling Disputes and Making Team Decisions, Sage.



# Negotiation in Project Management

## Negotiation Process

- Negotiation is a process in which parties are brought together for taking decision.
- Such process is necessary to reconcile differences relating to different project related issues.
- Negotiation is equivalent to bargaining.
- An amicable settlement is brought in negotiation. Different issues are being negotiated in project management viz.,
  - Tenure of the project
  - Project cost with client
  - Compensation package with employees
  - Benefits and services with union
  - Cost of the materials
  - Supply of requisite materials
  - Responsibilities of different employees
  - Quantum of products to be produced
  - Quality of products to be produced
  - Services to be provided to client
  - Labour contractors
- Generally the project leader has to negotiate with different stakeholders viz., client, government, employees, community etc.
- Principles of effective communication have to be followed in negotiation.
- A negotiator has to go beyond the short-term benefits in negotiation.
- Negotiation skills are helpful in strengthening team spirit.
- It also helps in bringing long-term relationship with different stakeholders in a project.
- Negotiation can be considered as a vital functional aspect of project management.
- Effective negotiation brings better results for a project.



# Negotiation in Project Management

- **Implications of negotiation**

- Appropriate actions should be taken if other party in negotiation does not come out from the fixed position. But in such situation, the negotiation may not be successful one. There are negative implications of such negotiation.
- The deal has to be well pursued in order to have clarity in communication of the intentions of both parties in negotiation. Such clarity helps negotiating parties to assess each other and knowing the intentions and accordingly prioritize objective.
- Keeping negotiating climate positive and amicable facilitates the process of negotiation. It also helps in building trust in negotiation.
- The persuasive intention and ability of both parties is needed to proceed in negotiation process.
- The interdependence of negotiating parties has to be evaluated which ultimately help in maintaining proper business relationship.
- Long-term relationship should also be kept in mind in negotiation which has positive impact on both the negotiating parties.
- Cultural aspects should also be considered in negotiation. It helps in understanding parties in negotiation.
- More or less, successful negotiation has impact on the maintenance of professional and business relationship.



# Negotiation in Project Management

- **Qualities required for negotiator in project management:**

- Be patient
- Be dynamic
- Be realistic
- Be empathetic
- Be considerable
- Be focused
- Be assertive if required
- Be culturally sensitive
- Be positive
- Be aware of intention of other party
- Be calculative from both the negotiating parties points of view
- Be aware of conflict minimizing strategies
- Be good in logic
- Be an effective communicator
- Be pleasant
- Be presentable to facts and figures with proper sequence
- Be sensitive to negotiating climate
- Be well prepared to put forth views properly.



# Conclusion of The Chapter

- Conclusion #1

- Negotiation is an important process in project management.
- There are many stakeholders in project management for negotiation.



- Conclusion #2

- Negotiator has to possess certain qualities to be a successful negotiator.
- Negotiation has impacts on business. Successful negotiation is helpful in maintaining long-term business relationship.

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