

# ASSESSING NEGOTIATION PERFORMANCE: THE THREE Es

By

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The focus of almost all negotiation performance reviews is the assessment of the negotiating skills and techniques employed by the parties in their search for an agreement. Unquestionably, this process focus is correct, of course, but it is also seriously deficient in its capacity to fully assess and thereby improve the quality of negotiation performance by negotiators and the organizations they may represent. We must do better. Here is how.

To really maximize the benefits from negotiation review, the scope of the assessment focus must be expanded to include what I term “**The Three Es: Ethics, Effectiveness, and Efficiency.**” The members of this powerful trio are generally the invisible and unexplored elephants in the negotiation performance review agenda. If they are acknowledged at all, let alone addressed, it is usually as “the givens” in the negotiation milieu. In fact, however, their importance is such that they should be front and center at all times. Let us explore the critical role and benefit potential that demands the inclusion of “The Three Es” in every negotiation review.

## **Ethics**

Individuals, organizations and societies, indeed, all human entities, assert and maintain a common moral center, a set of principles which govern the expected conduct of each person within their group. Often, however, these standards are presumed to be shared by all members of a group, but sometimes they are not. Often these assumed common principles are unstated or commonly ignored in the performance of activities, including negotiation. Sometimes these principles are simply cast aside as impediments to applying the means individual’s judge necessary to accomplishing their ends.

Clearly, negotiating behavior must be examined to assure it is consistent with the stated core belief systems of its sponsors. To do less, is to destroy the moral center of the entity. The negotiation reviewer(s) must ensure that this ethical core is sustained and preserved both in the means and the ends of every negotiation.

## **Effectiveness**

Effectiveness is a measurement of whether the negotiation has accomplished its stated goals, and, importantly, it also evaluates whether or not the goals achieved were the correct goals in the first place. No matter how brilliantly conceived and carried forward by negotiators, the evaluation of negotiating success requires that the right agreement be achieved with the right target.

Agreement with an entity that is unable to fulfill its part of a bargain is no better than agreement with an entity that is unwilling to perform. In fact, some agreements are “not worth the paper they are printed on” and may well be far worse than no agreement at all. It is the responsibility of the negotiation review to assess and report on the effectiveness of the effort expended and the value of the results expected in every negotiation.

Complicating the assessment of effectiveness, of course, is the fact that many negotiations are only beginning points to years’ long schedules of deliverables, resource commitments, and projected returns on investments. Many of the elements of effectiveness, therefore, are not capable of immediate assessment and require that negotiation assessments provide scheduled interim and long-term revisits on complex agreements.

### **Efficiency**

Efficiency measures the impact of an agreement on resource usage. With the current drive for increased productivity over the past several centuries showing ever greater gains, not to evaluate negotiation performance on its results on efficiency simply should be unacceptable today. Indeed, strong movements to measure both negotiation performance and operational impacts are a fundamental component of negotiation assessment in many organizations.

Most large corporations are in the process of moving many of their negotiations away from crafting custom agreements with outside entities to relying upon standardized template-based agreements which require far less resource time for negotiation. The goal is to standardize such agreement items as legal definitions, warranties, payment provisions, and remedies, for examples, rather than devoting resources to individually crafting essentially repetitive and duplicative agreements. Where ever possible, “re-inventing the wheel” has been replaced with “one-size fits all” models. Efficiency in negotiation performance, ease in monitoring contract compliance, and simplicity of management is as much a goal today as efficiency in production or delivery. Therefore, it demands to be addressed by the negotiation assessment process.

Negotiation performance as well as its evaluation process must be fully in alignment with societal, institutional and individual expectations if they are to be valued and productive. In a world that demands adherence to ethics, effectiveness and efficiency, “The Three Es” are indispensable ingredients of any negotiation review today.

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