There are several core principles of successful negotiation that apply to most scenarios. However, as anyone who has worked in both the public and private sector will know, there are significant differences in doing business between these two environments. These include the public sector call for transparency, the upholding of the core public sector values and the need to serve the public interest, rather than individual or commercial interests.

The outputs of the Gershon Efficiency Review of 2004 stimulated a change in the approach to running public services to a more “business-like” manner aimed at improving efficiencies, with a focus on delivering savings without affecting the delivery of frontline services. Hand in hand with this came an intent to create a culture of negotiation to secure best value for the public purse and today, negotiation skills are seen as a core capability for many public sector employees.

However, this more “commercial” approach sits within the context of the Constitutional Reform and Governance Act of 2010 which sets out the Civil Service values and codes of conduct for employers and employees alike.

Increasingly, The Gap Partnership work with many government departments advising on negotiation strategy and we are often asked about the differences between negotiating in the public versus private sector. Let’s take a closer look at what these differences may mean
Integrity

In order to uphold the value of “integrity”, the public sector negotiator must operate with transparency and openness, acting as they do in the public interest and being submitted to public scrutiny. Working against this backdrop of transparency can interfere with the confidence an individual may feel with some of the techniques and tactics at the negotiating table. The meaning of transparency and openness can be subjective. Does this mean they need to share red lines, back stops or break points?

Robin Bouwman’s public sector negotiation review (2013) reported that the need for transparency and accountability did not include a requirement to give away information about strategic positions during negotiations. Rather, transparency here means negotiating in clear, straightforward language.

In short, conduct the negotiation in a clear and concise manner, but do so with the same confidence of your strategy as you would in any commercial negotiation. Negotiating with credibility and integrity need not compromise the maximising of value.

Respect and Impartiality

The values of “Respect and Impartiality” include the need to treat others fairly and objectively and to be respectful of the other party. The public sector negotiator must be impartial, objective, consider all relevant facts, apply fair criteria and implement policies and programmes equitably. As part of your planning and preparation, it is worth spending time considering what fairness means within the context of your negotiation and the dangers of applying a personal and subjective sense of fairness. Left unchecked, a subjective view can lead to a suboptimal negotiation outcome.

That’s not to say however that an individual’s sense of fairness should be ignored. It has been shown that individuals tend to reject deals that they deem to be unfair even when it makes no economic sense to reject the offer (Social and Brain Matters: Stances on the Neurobiology of Social Cognition ed. Oscar Vilarroya & Francesc Forn i Argimon).
It is important in negotiations therefore that the public sector negotiator gets a clear understanding of what the other party considers to be fair and lets that lead the way to a deal that satisfies both parties and improves the outcome for the public purse.

**Accountability**

Another core value of the public sector is “Accountability”. Public servants must seek to achieve the best use of resources and act responsibly in their decisions and actions. Where the objective of a private sector organisation would be to drive profit for shareholder, the public sector aims to get the best value for and fulfil the needs of the people it serves. This means that public sector negotiations are more likely to involve multiple stakeholders with a need to apply value creation multilaterally.

In addition, the weight of public scrutiny can affect the drive to maximising outcomes. Under the glare of the political media, the public sector negotiator can be at risk of being portrayed as greedy or as “winning” a negotiation while the other party “lost”.

Bouwman (2013) reported that public sector negotiations typically proceed more slowly. The reasons he cited for this included goal complexity, contradictory values and a lack of preparation. It could be argued that the most important of these is the lack of preparation in the face of such complexities.

If the public sector negotiator has the time to plan and prepare for the complex goals and contradictory values, then they will be 90% towards a successful outcome, and they should always aim to maximise the value in the negotiations - this is as important in the public sector as any other.

In summary, there are some significant constraints around negotiating in the public sector. In particular the incorporation of the core values while maximising value can at times seem like a dichotomy. The key is to understand these core values, work with them - while not being constrained by them and to use them to negotiate with integrity to achieve planned goals.
By leading with these values and not letting them get in the way, a public sector negotiator can achieve agreements that work for all parties. Competent planning and preparation will help to avoid common pitfalls and allow us to maximise the possibilities that can be achieved in public sector negotiations.

As we look to the future, the importance of getting the best value in times of austerity is only likely to become even more essential. To that end - could skilled negotiators within the public sector be part of the answer?