

An Experiential Study on Negotiation: Exploring Communication and Related Factors

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Abstract. Negotiation is a dynamic process with implications ranging from everyday life to the business world. The present study focuses on the factors that gain force in the negotiation process and how the communication progresses between parties with conflicting interests. An experiential exercise was conducted on 20 postgraduate students (f=15, m=5) of University of Delhi. The students were divided in 4 groups of 5 students each with each group representing a University in need of funds. The task was to negotiate the terms of division of an amount of 50 lakhs such that one team receives 9 lakhs. The exercise generated a heated negotiation ending in deadlock. It was found that communication, emotions generated, trust, and intention of collaboration are major factors that influence how negotiation will proceed. Successful negotiation requires communication to progress from distributive to integrative. Further, the study identified four essentials of negotiation process, namely, art of listening, assertiveness, art of asking questions, and art of responding.

Keywords: Negotiation Process, Communication, Emotions, Experiential Exercise, Integrative Negotiation

1. Introduction

We all negotiate, whether we realize or not. Negotiation widely takes place between individuals in any form of relationship, in businesses, between different organizations, states and countries. The word "negotiation" originated from a Latin word, "negotiate" which means, "to carry on business". In academic terms 'Negotiation' is a dialogically complex process wherein two individuals/parties try to reach a common ground of understanding by removing points of difference (Barry, 1998; Bazerman, 2000). The main aim of this dialogue is to secure maximum advantage for oneself or to satisfy cumulative benefit of all parties involved (Davidson and Greenhalgh, 1999). This could either be done by bargaining or by creatively satisfying the various interests.

Negotiation is different from ‘mediation’ or ‘arbitration’ as it involves third, and preferably neutral party. Researchers have differentiated between two *styles* of negotiation: Distributive and Integrative (Deutsch, 1974). Distributive negotiation is where there is fixed value to be distributed between parties, like fixed money, space or any tangible thing. It is mostly a win-lose game. Integrative negotiation is where parties involved see their overall interest. It is based on principles and values, so it leaves room for creative solutions as well as long-term benefits. So it is also called a win-win game. Fisher and Ury (1981), in their bestselling book ‘Getting to Yes: Negotiating without Giving In’ coined the term BATNA (Best Alternative to a Negotiated Agreement) which means, the negotiator is successful in obtaining the best alternative for the party, in case the negotiation is reaching an impasse.

‘Negotiation’ involves elements like *strategy, process, behaviour, tools* and *tactic*. In the ‘process’ of negotiation between individual’s emotions, attitudes, dispositions are bound to play their role. They play their part in when to settle and for how much to settle. Individuals who remain in positive mood before negotiation are seen to have approached the process of negotiation with confidence (Kramer & Newton, 1993). The research in this area has started recently. Anger is the most widely researched emotion that influences person to use more competitive strategies and cooperate less (Forgas, 1998), lessening the chances of a mutually beneficial outcome. Angry negotiators are found to pay less attention on other’s interest hence more likely to misjudge competing party’s interest, ultimately leading to their own loss (Alfred, 1997), so listening carefully is very important in negotiation. Anger provokes aggressive and yielding behaviour in other party (Butt et al., 2005). So emotional regulation is very important in the process of negotiation.

In light of the previous literature, the present study focuses on the process of negotiation. It aims to delineate the process by studying the movement of arguments in the negotiation through an experiential exercise thereby controlling the extraneous variables that might confound the negotiation process like past relations between the parties, place and time of negotiation etc. The present study focuses on following research questions:

- What are the factors that gain force during the negotiation process?
- How the communication progresses between parties with conflicting interests in a negotiation situation?

2. Method

2.1 Sample

The participants (n=20, 15 females and 5 males) of the study were postgraduate students studying in University of Delhi. The average sample age was 21.9 years.

2.2 Activity

This activity requires 4 groups of participants with at least 3 participants per group. Each group represents one of the following four universities:

Bose University

A prominent university established in 1928 with nobel laureates in their faculty. The university invests with significant projects such as building satellites and national defense. The alumni of the university land up high profile jobs mostly in exports and don't move abroad. Thus, there is inflow of money in the country as they earn within the country by lessening the import while heightening the exports. The university needs funds for research and to develop technology for national defense.

Natwarlal University

Established in 1790 Natwarlal is a top class science university equipped with high quality equipment for research and other facilities. They have acquired endowments from other sources but the university is short of money as it is has started a scholarship program for students from economically/socially-disadvantaged background. The university is in a unique position to provide students of all background an opportunity to focus on high-level research.

Empowering Minds

Empowering Minds is a state owned university established in 1875. The university provides eclectic programs in different fields to students hailing from around 200 countries. Due to government bills in other areas, the state has made some cuts in funding the university. Since the the specialized inter-disciplinary courses offered have low enrollments, the university doesn't have enough resources to operate these programs and will have to roll these courses back if they don't acquire funding from other sources.

Adwitiya University

Adwitiya University is a small, state funded university. It has undergraduate schools that offer courses in social sciences and humanities. Their students have potential but very limited resources. The university is confined in limited land space and is in need of structural expansion. It requires funds for expanding and to provide its students with other resources.

Madanlal, prominent businessman and a philanthropist has decided to donate 50 lakhs to education, but he wants to divide the sum among the four universities such that one university gets 9 lakhs. The four groups now have to negotiate and come to an agreement as to how the money will be divided and present their case to Madanlal.

2.3 Process

The students were first briefed about the aim of the activity. They were then divided into 4 groups of 5 students each. Each group represented one of the four universities. The researcher assumed the role of Madanlal. The groups had to negotiate as to how the funds would be divided amongst them. There was no time limit given in the beginning. The negotiation went on for about 1 hour 40 minutes but the groups were in a tight deadlock. The students were highly emotionally charged and frustrated. So at this point the researcher intervened and asked whether the groups would like to terminate the negotiation. The activity was thus terminated and was followed by debriefing. The researcher tried to defuse the negative emotions generated during the activity and a discussion about the activity with the students ensued.

3. Data Generated

The activity and debriefing session generated rich data giving insight into the process of negotiation and how certain factors can shift the arguments and lead to a deadlock.

Position taking

In the beginning, each group presented their case one-by-one describing what they are and why they need funds. Though each group seemed to have understood the position of the other groups but they seem to have neglected the 'intangible interest', i.e., why the other group has taken this position. As the negotiation proceeded, it was observed that the groups had presented their 'intangible interests' as well but these interests went unheard.

Group I: Bose University

The representative of Bose University first presented their case. He clearly stated what they are and what they have. It was majorly stressed that they have Nobel Prize faculty. A lot of chaos and responses came up to this statement. The presentation mainly focused more on their merits and less on why they need money.

Group II: Natwarlal University

After a brief introduction to their university, the representative directly stated why they need more funding. They made use of emotional appeal and talked about how people from disadvantaged background should be given an opportunity. In the presentation of case itself they dismissed the role of other universities that might be catering to the same needs and said *“people who go to mediocre universities will go on to become doctors and engineers, people who come to our university will become scientist...will create innovations that people from other universities will go on to use which is why we need money...”*

The questions and counter questions were going on between these two groups (the other groups were participating a little), after 20 minutes, a representative from another university had to say *“yaar listen to our arguments also”*

Group III: Empowering Minds

The representative articulated her points very well by clearly stating what their university is about, why they need the money, and why Madanlal should help them. They went on to describe the importance of the courses they offer, how their courses are better and more important than the courses offered by other universities.

Group IV: Adwitiya University

The representative first mentioned that he has been listening to everyone's proposal and believes everyone has genuine argument and then came directly to the difficulties that their university is facing. As they were the last to present the representative stated the university's position in relation to the other universities. In reference to the two science universities he stated the growing need for social sciences. In reference to Empowering Minds, *“hum bahut chotta institution hai. There is no diversification of the students that comes in...”* (suggesting that they

don't need much money). They strategically played their disadvantaged position, "*humare paas basic sansadhan hi missing hait oh hum badhotri kaise karenge..*"

The Adwitya University was the only group that directly put forth their opinion on who should get what sum of money. "*I believe yeh log (Bose and Natwarlal University) samaj keliye kaphi kuch kar rhe hai so these two colleges definitely need the higher money, but hum inse sirf ek kadam peeche hai hence these guys (Empowering Minds) need to settle for the lesser amount.*"

Bargaining Style

- *Revelations, Offers, counter-offers, and Concession-making*

The parties were hesitant in revealing their actual needs which led to distrust, and made the communication abstract, thus, rather than coming directly to the point of negotiation about the tangibles, the negotiations kept revolving around whose needs are more important. For e.g., when a participant from another university asked the Bose University representative about their current amount of endowments, the reply was "*bahut saara mil rhahai lekin hume yeh madanlal wala endowment chahiye*". This remark led to the 'judgments' from the other universities, like, "*lalach buri bala hai*", "*nobel prize walo ko kita paisa miltahai!*". After 5 minutes, the question of how much money their university needs was raised. The response, "*there is no number. Secret. Hum nahi disclose kar rhe, nahi diyahua*". Questions were raised as to why the university is not disclosing this information.

Though weak but there were voices that offered **alternative and collaborative approach**. But these suggestions were dismissed straight away. There are multiple factors interacting intricately that led to such dismissal, negative communication pattern being the major one, which will be discussed later.

- Proposal offered by Bose University to Adwitiya University – "*we propose a collaborative program where we can send our faculty for regular workshops and training since you said that curriculum and faculty was one issue. Another, since you don't have the postgraduate program, so you send your best to our postgraduate program*" The proposal instead of generating a more integrative discussion in fact made things worse, and led to generation of harsh feelings.

- Proposal offered by Natwarlal university to Empowering Minds University: Natwarlal suggested that the deficits in the medicine and technology courses that are being offered by Empowering Minds can be supported by their departments. But again the Empowering Minds group doesn't even consider the offer, and go on to tell how they need money.
- Collaboration or Charity?

The point for collaboration between Bose and Adwitiya was dismissed right away without discussion or deliberation. In fact Adwitiya felt belittled and responded, "*hume kissi tarah ki charity nahi chahiye aap logon se, I don't need the land that is offered, or charity that is offered.*" "*you guys are already up here, theek hai, both these institutions are struggling to come at par.....on one side you are bragging about the Nobel laureates you have, on the other, you are mocking the fact that you don't have anything and you don't want to give us anything, just for the fun of it.*" Resentment caused the less powerful party to react emotionally and refuse to make concessions even when it would have been in its best interest to do so.

Why did these offers backfire? What went wrong? What led to the deadlock?

Power play: *I am better than you*

A negotiator's power is critical for his/her success. The greater power one has in relation to other parties the better are the chances of allocation of resources. (Kim, 1997). Bose University, Natwarlal University, and Empowering Minds University tried to gain power by establishing their merits. The Adwitiya University however explicitly stated their vulnerabilities. They assumed the role of small humble university and expressed the excellence of other universities. They tried to create bargaining power for themselves by accepting the merits of others but in fact enhanced the perceived power of their counterparts.

Since Bose and Natwarlal Universities were better established and rich, they seemed to have more power. But this very fact backfired as both these universities were attacked for their better position. Adwitiya group chastised the Bose group, "*baatsamjhyakeh nachah rha hai, tumhari gadi kitan ki maitel hai, unkitankikhalihai.*" Retaliation by Bose, "*mat lb unki gadibinatelke abtak chal rhithi*". The attempts to establish power by all universities failed as it was not clear who has the most power.

Discounting the need of the other party: *My need is greater than yours*

In many ways, each university tried to belittle the other university's need, stating that their own needs are for a much better purpose. Only Adwitya University did not discount the needs of other universities, but highlighted how they are in a worse condition than others and thus need more money. Very harsh statements were exchanged like:

Attacking the Bose university, the Natwarlal University said, *“we will invest in thing which will actually help poor people instead of like building satellites..”*. *“such typical jingoistic hyper-pseudo-nationalist like we need money for defense, do we want to waste money on tanks and missiles that will go on to kill people.”*

Again, Natwarlal University, proposed that Empowering Minds University doesn't require much money for the courses they offer, and since their university is a science and technology one they need more money. *“These courses don't need as much money or equipment. These courses are not research intensive.”*, *“Humanities need less money..”*

The Adwitiya University discounted the needs of the Empowering Minds University by emphasizing that the latter has diversified courses, good faculty, and other things in place and thus doesn't require more money. But the same argument was not extended towards the other two universities as they felt that the other two are contributing more towards the society thus making the needs of Empowering Minds seem unworthy.

Responding or reacting?

Adwitya disagreed with Empowering Minds argument of need of more money in a very non-discussionable fashion; they just gave their conclusion to the whole negotiation. When they were rebuked by Empowering Minds, they became defensive and 'reacted' rather than responding.

In fact Adwitiya did not even let Empowering Minds to finish their argument: *“you said that we are on the same page, then koi argument nahi, kuchnahi, then how can you decide that we can settle for less money.”* (sentence not even complete, but the member of Adwitiya University started shouting back.) *“inko (Bose and Natwarlal universities) paise dene kamatlbhaiki hum inkepaasaurcheezenbadharhehai, kuchkamnahi ho rha,..”* (interrupted) *“..tohtumne jab hume point out kara and suggested that we should settle for lesser money..”*

tumharemannmaiyeahyunahiaayaki jab hum same page pehaitoh we need equal amount of money and they need lesser amount”

Emotions Generated

- Feeling victimized

It was observed that the communication pattern of some of the negotiators seemed to be so condescending that the representatives of the other universities felt hurt and victimized. This generated emotional- and identity-laden statements in the negotiation leaving little scope for any movement in the communication.

- The Adwitya University was harshly told that they can't build a university on charity, and should ask the state to fund them. At one point the representative said, *“hum apni pehchan tumhari chatr-chayamaikhonana hichahate.”*
- Instead of generating more value in the negotiation process, the proposal offered by Bose University further victimized Adwitya University, as the latter responded *“I refuse to take the crutches offered by your colleges...”*
- The Adwitya University was further belittled by Bose University, in the following dialogue:

Bose University: *“Adwitya, you cannot stand as a university on your own at all”*

Adwitya response: *“you see the audacity...matlb hum neechehaitoh tum uparnahiuthsakte”*

(shoutings)

Bose University: *“what is the highest degree of education that each of our universities provide?”* (The science Universities had till Ph.D. the Empowering Minds had till M.A., and Adwitya offered only graduation.)

Adwitya's response: *“tohiskamatlbtohyehhuanaki hum badhna hisakte apne paas se.”*

- Am I being heard? Are you listening?

At many points in the process, the representatives felt that they are not being heard and in fact they are not even being able to finish their sentences. For e.g., Adwitya's representative once shouted, *“let me finish, for god sake”*

- Anger and Frustration

At the end of the negotiation activity, there was no final agreement, and the groups were visibly frustrated and angry. The participants were not satisfied with the negotiation and had much to say even after the activity had ended.

Communication

- Everyone speaking, who is listening?

After the initial presentations, after around 35 minutes, there came such a tussle, that everyone seemed to be speaking, and no one was listening to other's point. It was very hard to make out what every body is trying to convey. There was such chaos, and then finally a person from Empowering Minds University, called everybody's attention, and asked them to pause and just reflect. Only Adwitiya University often verbalized that they were listening to the points of others, "*I was listening to their arguments, and I was understanding what logical arguments they are putting forward...*"

- Assumptions in communication

One thing that was quite evident during the process was that while communicating the parties focused more on their pre-conceived notions or judgments. For e.g., strict verbal statements were spoken like "*science gives tangible results. That's all*", "*research keliyekhaliapna paisa nahi, bakiyo se bhi paisa lenapadtahai*", "*Humanities need less money..*".

- Sense of movement in communication

Harsh statements were exchanged back and forth, but there was no movement in the communication. It ended where it started. The groups did not seem to have gained any insights into what they need, how much they need, and what can be done during the process.

- The role of intra-group communication

It was also noticed that there was almost minimal intra-group communication. Within each group there were members that did not seem to be a part of the negotiation process. There was one representative who came up with the strategies, so rather than the group it was felt that one person is negotiating. There was a lack of intra-group strategizing. For e.g., the Adwitiya group

asked the Bose University to sell the land instead of giving it to them in ‘charity’, “...Pleasssee..can’t you make sense out of what you are saying?..if you have extra-land sell it, and fund your project.” This would not have happened if the group had thought out their needs and their plan together.

- The role of nonverbal cues in communication

It seemed that whenever a negotiator attacked another, the pitch would invariably increase to put forth their point, or rather hammer the point in head of the other negotiator. After 40 minutes in the discussion, there was a lot of table-banging, teams speaking over one-another in very high-pitch. The sarcastic tone was often used to dismiss the other person’s point.

4. The final agreement: Who has better BATNA?

None of the Universities put forth their estimated offer in the opening presentation. Even till the end of the discussion, the groups did not come up with the minimum tangible that they require on the basis of their needs. The negotiation had sort of reached a dead-end where nobody wanted to accept a lower amount or any concessions from the other party. To finally divide up the tangible aspect i.e. the money, the groups forwarded the amount they need. Adwitya and Empowering Minds stated 15 lakh, Natwarlal stated 13 lakh, while Bose stated 15-18 lakh. So the discussion that took place before these estimated amounts were put on the table was targeting the whole of 50 lakhs and who will get the lion’s share. But now they had to discuss revolving around their needs, their interests, and how high the stakes are. From here the BATNA was supposed to proceed or take off.

5. Discussion

The findings of the study suggests that factors like communication, emotions, bargaining style, power, offers, concessions, play a vital role in the process of negotiation and in resolving the conflict of interest between the parties.

One of the worst dangers in a negotiation is the escalation of the conflict (Gilkey & Greenhalgh, 1986). Feelings of victimization can take over and lead the negotiation towards a downward spiral. Unless the negotiators refocus on the goal of negotiation, a spiral of conflict ensues wherein meanings are attached to issues, reacting emotionally to those meanings, losing the sight of the goal, attacking the other party rather than collaborating and so on (Brett et al.,

1998). In the activity, Empowering Minds tried to invoke the other negotiators' rationality by asking them to pause and reflect when the emotion levels were running high. They tried to bring back the focus of negotiation on the problem of division of funds by pointing that the discussion is moving towards a science vs. humanities debate. They emerged to be the strongest group, not in terms of the amount of power they held during the negotiation, but rather on the basis of how they maintained a rational ground in the process.

In a negotiation, trust and interpersonal communication play a vital role (Meeker, 1983). None of the teams gave a concrete idea of the funds required and its conceived allocation that could have established a level of trust and interdependence. The negotiation was stuck on distributive aspect where each team wanted the biggest share of pie and refused to budge from their position which created distance between them (Taylor, 2002). Though some members keen on collaborating did put forward some good proposals but due to the destructive communication pattern the teams did not reach to a point of integrative negotiation wherein they create value or resources beyond what is available (Olekals & Smith, 2003), and would have generated affiliation and interdependence between negotiators (Taylor & Thomas, 2008). From the feedback of the students it emerged that there was a distance between intention and impact. They wanted to convey something else, but the manner in which it was spoken had an altogether different impact. The students accepted that there was a lot of 'othering' and a hind mentality dominated the negotiation. Thus, the shift from distributive to integrative negotiation never happened.

The study reflects that the negotiation process is not just about the goals or the tactics that are used but much depends upon the behavioral aspect which strongly influences the tangibles in the negotiation, to such an extent that the goals and the facts of the negotiation situation are often forgotten. It is how the communication is coordinated keeping the focus on interest of all the parties that leads to the resolution of conflicts and creation of value in the process. In the present study, four essentials of negotiation were identified that should be cultivated for healthy and successful negotiation. They are: art of listening; assertiveness; art of asking questions; and the art of responding.

6. Conclusions, Implication and Limitations

The experiential exercise generated a heated negotiation ending in deadlock and reflected the importance of intangible factors in a negotiation process. The factors that immensely influence how the negotiation will proceed are communication, emotions and feelings generated, trust, transparency, and intention of collaboration and cooperation. For negotiation to be successful the communication should progress from a distributive approach to an integrative approach. Further, the study identified four essentials of negotiation process, namely, art of listening, assertiveness, art of asking questions, and the art of responding.

Negotiation is a dynamic process with implications ranging from everyday life to the business world. It is the successful interaction of increasingly boundaryless organizations scattered around the globe and the ability to seize a competitive advantage or defend it that can lead to a great economic impact (D'Aveni, 1994). It is important to understand the process of negotiation in a broad context and create experiential exercises that can provide students or practitioners with a rich first-hand experience and a space to improve their skills. The study, however, doesn't factor in other variables that can impact the negotiation process like personality of the negotiators, consequences on long-term relationship between parties etc. Further research on the impact of these variables and the four essentials of negotiation identified in the present study would greatly advance the understanding of the negotiation process.

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