

Negotiation and Negotiating Behaviours: The Role of Personality Variables

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ABSTRACT

This paper examined the concept of negotiation and types of negotiation, namely distributive and integrative. It pondered on why people fail to keep to negotiation rules. Thomas Hobbes state of nature and Machiavelli's concept of the human relationship used to explain this phenomenon. Furthermore, the article argues that this disposition is a consequence of people's perception of negotiation as a game where one party's gain is the other party's loss. The significance of game theory in the negotiation is therefore emphasised. Personality factors were considered important in the negotiation process. The impact of the big-five personality on the negotiation situation was highlighted. Unethical practices could make the negotiation process difficult, thereby affecting the quality of decision reached during negotiation. The study concludes by suggesting some ways of succeeding in negotiation.

Keywords: Bargaining; Distributive tactic; Integrative tactic; Negotiation; Personality factors; Game theory; Human relationship; State of nature; Unethical practices;

Introduction

The human society comprises two categories of people; those who have and those who have not. The relationship between these groups of people constitutes the problem of conflict and consensus. To prevent a state of anomy in the society, there comes negotiation and agreement among men. Over the years, men have been in constant struggle with the decision they made. This behaviour constitutes the problem of law and order for human society. According to Isokun (2004), man has become the maker and breaker of his laws. Isokun (2004) asserted that law is there to ensure order and security. However, law turned out to be man's source of disorder and insecurity. In the same vein, the negotiation is to bring peace and harmony among men has turned to be the source of disaffection and strife. Thus, an agreement that is supposed to ensure consensus, order and tranquillity turned to be an instrument of conflict.

The above implies that men have consistently fallen short of the agreements they purportedly made for themselves. It has exposed the human weakness of not being able to keep to what they agreed. Negotiation and obedience are related where one causes the other. Also, one is the consequence of the other. In other words, negotiation brings about acceptance, which is, keeping faith in the agreement. The problems agitating the mind of Social Scientists are why do people renege on what they agreed? What played out in negotiation situations that make people not honour negotiation outcomes?

WHY PEOPLE DO COMPETE IN NEGOTIATION

Thomas Hobbes theory of human nature explains this phenomenon of why people compete in negotiation. Negotiation aims to arrive at a consensus or an agreement that would be acceptable to the parties involved in dispute. Thomas Hobbes contended that human beings are naturally greedy, antisocial and bellicose (Akinsanya, 2009). As a result, men are at constant war with one another. Therefore, life becomes nasty, brutish and short. Hobbes maintained that men have a desire for power and aversion. Naturally, men are motivated to satisfy these appetites for power and avoid objects of their troubles. In the course of satisfying these appetites, men clash, quarrel and fight one another. Hence, nature is a state of perpetual struggles, a state of war and insecurity where conflict, struggle and war prevail (Akinsanya, 2009). People who share this sentiment would not abide by negotiation because life is the winner takes all. Their idea of life is survival of the fittest, which implies that life is a competition between individuals where the superior overcome the inferior.

Similar to Hobbes's state of nature is the position held by Nicolo Machiavelli, who contends that men are what they are, that is, corrupts and naturally wicked. Machiavelli did not believe in peace, gentleness, justice and rights. He maintained that one should be cruel, deceptive, and callous to survive among men (Akinsanya, 2009). According to Machiavelli, man is, however, permitted to use any means to attain his goals. Men should strive to achieve their aims. Once they succeed, all men will come to praise them, and whatever means employed will be justified. Machiavelli also believed that man must be shrewd, prudent, and practical. Man must be swift both in his actions and thoughts to achieve their aims. Therefore, life does not need morally upright men. Men need to be mean; there is no need for a religious or a compassionate spirit. They must be deceitful, pretend to be good, merciful, faithful, and considerate (Akinsanya, 2009).

Consequently, studies have shown differences between high and low Machs in various (laboratory, social and competitive bargaining) situations (Christie & Geis, 1970; Wilson et al., 1998). In one laboratory experiment, high Mach subjects faced the experimenter while refuting cheating when caught in a laboratory task. They also put up a stronger resistance to the confederate's attempt to link them to cheating in the first place. It was also found the high Mach displayed the tendency to take control in bargaining games by winning more points (Christie & Geis, 1970) and more money than low or medium machs. Another experiment similar to politics is the Legislative Game, developed by James Coleman (Christie & Geis, 1970). The result revealed that high Mach won more points when matters under consideration were emotionally laden than when the issues are devoid of emotions.

The significance of these experiments to competitive bargain situation is that low mach individuals are agitated because they put their personality and self-image into negotiation situation. But high mach remains detached by focussing on winning (Christie & Geis, 1970). This statement implies that low mach always keep to the rule of the game by respecting all the agreements made while high mach individuals do not obey the rules of the game and their focus is on winning, that is, getting more than the other party.

WHAT NEGOTIATION ENTAILS

The positions of Hobbes and Machiavelli were at variance with principles of negotiation. Negotiation is a process in which parties come together to make offers, counteroffers and concessions to each other to resolve their differences (Kreitner & Kinicki, 2004). Ruming (2012) defined negotiation as the process by which plans and development applications are exchanged to ensure an outcome. Putnam and Ruloff (1992) described negotiation as a decision making process or joint problem solving, which differs from other forms of communication in purpose, interaction and normative practices. Negotiation is a process of decision making; in which people with conflicting interests determine how they allocate resources or work together in the future (Fisher et al., 1991). Negotiators are interdependent, which means what one party needs

will affect what the other party will get. The negotiation process comprises two interdependent parties with different preferences. It can be between labour and management negotiating or between seller and consumer of a product.

Two different tactics are available in negotiation; they are distributive tactic and integrative tactic. In the integrative tactic, the parties divide the resources and decide who gets what; and what each party receives. In distributive tactic, parties try to influence their opponent's attitude by showing an aggressive tendency to increase their share of the resources. These make a negotiation situation tense. Parties are uncertain whether their opponent will adopt distributive or integrative tactics (Kreitner & Kinicki, 2004); because both have distributive and integrative tactics at their disposal. Aside from this, people have the mindset of "what is good for the other side must be bad for us" in negotiation. Therefore, parties employ various means of getting a better deal. Again, parties in a negotiation do not find the trade-off in integrative tactic beneficial because each party assumes their interest is in conflict with those of the other party. Hence, this study wants to explore tactics used in negotiation and to enumerate ways of getting the best in negotiations.

NEGOTIATION SITUATION

Game theories are classical models that explain the negotiation situation, where "to every movement, there is a counter-movement". The bilateral monopoly game is one of the models of negotiation. The game theory was developed by Siegel and Fouraker (1960). It consists of two players; the lone buyer and seller of imaginary merchandise. Each player tries to maximize his gains by bargaining at a given price, what quantity of goods will be bought or sold. Negotiation is a cycle of offers and counteroffers; these offers are on the profit table, which specifies the amount one can make from each possible transaction between the two players.

Thus, the seller wishes to negotiate a small quantity at a high price while the buyer seeks to get a large quantity at a low price. It means that each player tries to get the best for themselves out of the negotiation despite what the profit table stipulates. In a real-life situation, parties want to get a good bargain at the expense of the other. They offer a little and try to get so much from the other party. The point to note in the bilateral monopoly game is that the negotiation situation can be somewhat tense. To be successful in negotiation, the concerned party must be aware that the other party might be introducing some unethical practices.

PERSONALITY CHARACTERISTICS AND NEGOTIATION

Aside from the negotiation situation, personality factors can determine the outcome of a negotiation. Previously, scholars (Bazerman et al., 2000; Rubin & Brown, 1975; Thompson, 1990) agreed that personality factors have little or no impact on negotiating behaviours and outcomes. Recently, new evidence was found, which specify how personality factors influence negotiation (Barry & Friedman, 1998; Barry et al., 2004; Dimotakis et al., 2012; Wilson et al., 2016).

Many personality traits act as determinants of negotiation outcomes (Wilson et al., 2016). But the big five traits have been consistently acknowledged in the literature as recurring broad traits (Costa & McCrea, 1995; Falcao et al., 2018). These traits are extraversion, which relates to one extent of social interaction and perceived energy levels that an individual possesses. Extraversion refers to individuals' levels of sociability, assertiveness, and optimism. Neuroticism is the predisposition to be preoccupied with negative thoughts and emotions. Openness to experience entails curiosity, creativity and insight. Agreeableness is the tendency to be cooperative and compliant as against being suspicious and competitive. Agreeableness encompasses courteousness, flexibility, trust, cooperation, and tolerance. Conscientiousness refers to self-discipline, orderliness, carefulness, responsibility, and the need for achievement (Falcao et al., 2018).

Studies (Barry & Friedman, 1998; Dimotakis et al., 2012) revealed that extraversion is either an asset or a liability in negotiation but depends on the tactics. Extraverts may be prone to give information regarding their preferences during negotiation. This is because; information exchange and concern for social relationships influence negotiation outcomes in integrative and distributive negotiations (Barry & Friedman, 1998). Although, this attribute of extraverts might be a disadvantage in a highly competitive situation (Sharma et al., 2013). It can also be an asset in integrative tactics, which requires a high level of communication and social interaction (Elfenbein et al., 2010). Introverts sometimes feel anxious during social encounters, which may make them concede easily in a negotiation situation. However, their skills are priceless in a negotiation because they listen and absorb what others are saying. Furthermore, introverts deliberate on important decision and are less likely to make an impulsive and poorly thought decision (Pon Institute Harvard, 2020). Also, assertiveness is a subcomponent of extraversion, is an asset in negotiation (Elfenbein et al., 2010).

Agreeableness is agreed to be the salient personality factor in interpersonal relation (Falcao et al., 2018). An agreeable person prefers a non-assertive strategy (Cable & Judge, 2003). High agreeableness is related to lesser distributive outcome due to their higher collective commitment (Barry & Friedman, 1998; Amanatullah et al., 2008). Agreeable persons are kind, warm and have a propensity for trusting and trustworthy. Also, they value friendship and shun confrontation (Graziano et al., 1996). An agreeable personality can promote positive negotiation procedures desirable for joint economic gain (Sharma et al., 2013). Agreeableness predicts slightly lower outcomes in distributive negotiation. Nonetheless, agreeableness does not affect integrative negotiation outcomes.

Conscientiousness is associated with negotiation performance. A conscientious person has a structured mindset, which is related to negotiating behaviour. Conscientiousness is related to high job performance (Barrick & Mount, 1991). But no concrete evidence was found between conscientiousness and negotiating behaviour (Barry & Friedman, 1998). Recently, a study by Pon Institute at Harvard University (2020) revealed that conscientiousness is related to high negotiation performance.

Individuals who are high in openness can approach unstructured task such as negotiation with higher liveness. They are ready to pursue innovative tactics towards more integrative deals. These liveness and divergent thoughts can assist open negotiators in arriving at good deals that would be acceptable (Sharma et al., 2013). Openness individuals contribute to high mutual gain in integrative negotiation (Pon Institute Harvard, 2020). Neuroticism is a person's overall level of anxiety, apprehension, depression, and insecurity. They view negotiation experience more negatively (Pon Institute Harvard, 2020).

Negotiators should beware of these personality factors to improve their behaviour and know how to vary their styles in negotiation (Falcao et al., 2018). These will help negotiators be at their best during negotiation by identifying the personality characteristics of their counterparts.

The outcome of any negotiation depends on the quality of information one has about the other party's antecedence in previous negotiations (Butler Jr., 1999). The information exchange determines the outcome of such negotiation. But in most of these negotiations, either of the parties may use unethical tactics or tricks that the opposing party did not know at the time of negotiation. An understanding of these unethical behaviours can guard against exploitation during negotiation (Butler Jr., 1999).

NEGOTIATION AND NEGOTIATING BEHAVIOURS

Whether an individual sees negotiation as a game where one party wins and the other loses or where an individual wants to get more than the other, resulting from personality disposition.

In a negotiation situation, parties do employ various unethical practices that make the situation difficult.

The following are unethical practices used in negotiation: -

Lies:- This entails limiting or hiding facts in the negotiation, accepting the opponent's offers and not fulfilling them, putting the opponent under the pressure of time so that the opponent can take a hurried decision. Also, negotiator saying what they know is not visible and lying on the resources at their disposal.

Puffery:- Negotiators can sometimes puff up the value of their pay-off compare to the other party. They can also puff up their alternatives to be higher than the actual value. What trade-off will yield to the opponent can be puffed up. Also, the attached value and the attributes of the issues in disputes can be overrated.

Deception:- This can be actions and words, which include pledges or intimidations to the opponent, needless initial offers, twisting of facts, requesting for a concession that is not needed or asking for concessions that are not equal to the trade-off.

Weakening The Opponent:- The negotiator deliberately cut down or reduce the opponent's bids or put the opponent in the defence. Making personal offensive comments about the other party thereby undermine their alliances.

Strengthening One's Position:- These tactics include building one's assets, such as knowledge, capital and alliances. It also includes swaying a third party (the public and media) to get credibility for one's position.

Non-Disclosure:- This involves incomplete or non-disclosure of specifics, not divulging hidden facts, not correcting the opponents' wrong perception or estimation and ignorance. Attempt to conceal negotiator's position or circumstances otherwise known as "hidden agenda".

Information Exploitation:- Taking advantage of the information given by the other party for his weakness, narrow down his alternatives, initiate requests against them or break down their positions.

Change of Mind: - Failure to act as promised, changing of offers, withdrawing the promise made and intimidating the opponent that the promises made would not be fulfilled.

Distraction:- This can be by giving too much information than what is required to the other party, asking too many questions, avoiding questions, burying or suspending the discussion abruptly. Distraction can also be more complicated such as pretending to be weak in one area so that the other party can concentrate on it, thereby paying no attention to vital areas.

Maximization: - Convince the other party to come to a compromise, which puts the negotiator in a vantage position to the detriment of the other party. It also means changing a win-win scenario into a win-lose.

HOW DO WE HANDLE NEGOTIATION

The above unethical practices are ways people turn a non-zero-sum scenario into a zero-sum scenario. Although they are not exhaustive, the fact is that people enter into negotiation to get the best for themselves at the expense of the other party. To get a fair share in negotiation, all the parties must engage in serious preparations. These include but not limited to:

Deciding Objectives- What improvements or changes to seek out should be decided ahead of time. It involves assessing the goals, position and basic interests. Think of the best outcome one can get; that is just and reasonable. Also, decide on the minimum level of acceptance.

Assessment of Negotiation Situation- Assessing the relativity of negotiation situation concerning the other party. It enables us to ascertain the condition where we find ourselves.

Tactics- Decide on the tactics to adopt; this is done by evaluating one's competitive advantages and disadvantages with the opponent's advantages and disadvantages.

Starting Offer-The starting offer should be unequivocally clear. Let your concessions be known as well as how to apply ones' strengths against the opponent weakness.

External Influence- Assess the impact of external influence by separating people from the issue because it is necessary to address the issue and not personality. Shun the predisposition to attack the other party's personality because it makes negotiation difficult. If we fail to separate an individual from the issue the other person will get on the defence, and communication will be difficult.

Rational Behaviour- Be civil in your approach by being focused even if you are provoked, do not be upset or apprehensive. Keep calm and focus on the negotiation situation but be familiar with the motive behind such behaviour. Besides, one should create a low-cost concession that would be of high value to the other party. Also, alternatives that allow the opponents to feel that they have won can be presented.

Party Interest- Another important aspect of negotiation is to understand the other party interests and needs. This can be achieved by probing and exchanging information. It helps the parties in the negotiation process to find commonalities by minimizing their differences. Having such information about the opponent's interests, goals, needs, and wants will determine our strategy; by knowing how far we can push, open or conceal our positions.

Principle Prevails- Decision making in a negotiation should be based on principles and not on emotion or pressure. One should not succumb to emotional plea, assertiveness or stubbornness. Rather an objective criterion, which parties can employ to assess options must be agreed on. Parties should avoid focusing on the past or blame the other party. They should be an active listener, which entails incessantly probing to be sure that the other party is understood. Also, restate your opponent position to make sure that they heard them correctly. Attention should be on the future by focusing on what needs and tackling the issue jointly. Establish your Best Alternative to a Negotiated Agreement (BATNA) as well as Worst Alternative to a Negotiated Agreement (WATNA). Explore the opponent BATNA and his WATNA to ascertain that you are in a better position of negotiation.

CONCLUSION

From the above, we have established that a lot of preparation needs to be put in place to get something tangible in any negotiation. This entails alertness, good communication, greater flexibility, as well as sharing of responsibilities for problem-solving. By considering all these, then we would always be at our best in any negotiation. Irrespective of the situation or the personality attributes of the opponents. We can overturn a zero-sum (win-lose) negotiation situation to a non-zero-sum (win-win) negotiation. Then, we would be sure that the decision reached in negotiation will be to our advantage and to the opposition.

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