

Teaching (And Learning) Negotiation: Is There Still Room For Innovation?

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ABSTRACT

Negotiation is often considered as an art requiring specific skills and competencies that can only be practiced by talented or gifted people. Therefore learning about negotiation could be considered useless as it necessitates a certain aptitude revealed in situations that are always different, depending on many conditional aspects like the actors, interests, context or nature of conflict. Most practitioners and future negotiators are looking for prescriptive advices on how to lead effective negotiation. Training comes frequently as an answer to the question and simulation exercises can be, in that sense, adequate and powerful pedagogical tools. Our intention in this paper is to explore several paths based on some of the most fundamental elements and driving forces of negotiation: trust, stakes and power.

Keywords: Negotiation; Pedagogy; Trust; Stakes; Power

INTRODUCTION

Negotiation is a specific form of interaction based on communication in which the parties enter into deliberately, each with clear but different interests and goals and a mutual dependency towards a decision due to be taken at the end of the confrontation. Consequently, negotiation is a complex activity involving many different disciplines from the strategic aspects and the decision making process to the evaluation of alternatives or outcomes and the exchange of information. As with many concepts, there are different angles and ways of defining negotiation. The following definition presents three essential aspects of any negotiation: the idea of a specific process, the presence of conflicting aspects, and the finality involving the participants. "Negotiation is a joint decision-making process through which negotiating parties accommodate their conflicting interests into a mutually acceptable settlement" (Faure & Sjøstedt, 1993). Each party in the relationship must cooperate to reach his or her objective and each party can block the other one from attaining his or her goal (Putnam, 1990). This interdependence sets up a mixed-motive relationship in which both parties cooperate by competing for divergent ends (Putnam, 1992). As shown by Lax and Sebenius (1986), any negotiation includes both "value creating" (integrative) and "value claiming" (distributive) features.

The interdependence between these two poles creates several dilemmas for the negotiator in his decision making process. First, the willingness to find a solution despite the divergence regarding the decision implies that negotiators must carefully fix their objectives with certain flexibility. Then, they must decide on the level of cooperation, honesty and trust, the level of toughness (Zartman, 2005) but also on the ways and means that should be used. Nelson and Wheeler (2004) studied how negotiators experience these tensions in practice, revealing that mostly the tension is between assertiveness and empathy. According to Sebenius (2001), one of the common mistakes made by negotiators is to neglect the other side's problem or even, when they see the other side's concerns, to dismiss them.

Nevertheless, since negotiators in the process are evolving from competition to cooperation and reverse, they reveal in the interaction the relative power that they have over the acceptance from the other party of options or decisions. But the power position is never definitely fixed as one of the characteristics of negotiation is to make it shift during the course of the arguments used. During the process participants can become adversaries or partners

due to the quality of the relation, the nature of the conflicting issues, of information exchanged but also because of behaviors, attitudes and perceptions.

The levels of honesty, trust and therefore cooperation are influenced not only by the uncertainty of the situation, the objectives, interests or stakes but also by the orientation given from the very beginning of the relationship depending on the estimated power of each participant.

There are thus three main driving forces in negotiation: trust, power and stakes combined with interests. Trust which can be considered as a tendency to believe that your counterpart will satisfy and respect your expectations, is usually based on mutual perceptions exposed during the interaction but also on previous experiences and history of relationship. But while we all recognize the importance of the concept in any negotiation it is not only a difficult one to define but also a difficult one to exercise. Making recommendations or learning about how to establish trust in the negotiation process is a difficult task due to the number of variables which can be considered.

Power is also a very vague concept as it seems more interesting to investigate the sources of power than its effects. Moreover, the principle of any negotiation is to change the balance of power in order to reach an agreement. Finally as we will see further, stakes and interests which are entangled with the balance (or the unbalanced level) of power are also difficult to analyze because they include objective and subjective dimensions.

These aspects make negotiation a difficult subject to teach. Can negotiation be modeled away from any specific context and can prescriptions be made in order to increase any participant performance? According to Wheeler (2006), the skills necessary to successful negotiations can be improved through study but also practice. But as described by ElShanawy (2010), there is still a debate regarding transferability of negotiation skills. Negotiation training might not improve the negotiators' performance because of the limits of any simulation compared to a "real situation." Teaching the subject might also be difficult depending on the objectives. According to Patton (2012), there is no single goal in teaching negotiation but also what people learn during training sessions might be different from what the instructor want them to learn.

As already expressed by Fayerweather and Kapoor (1972), lectures, case studies on negotiation and even more business simulations must convey a sufficient sense of reality leading to more personal involvement in order to accomplish a desired type of learning.

As we will see further, the limits of any simulation compared to a "real life" situation, as often expressed by the participants to training sessions, come from the very nature of the negotiation itself and some of its most fundamental elements and driving forces: trust, power and stakes.

THE ROLE OF TRUST

The idea of trust is based on certain vulnerability. Trusting people means that you expect that they will act in a good manner, accordingly to your interests, without any complete control or guarantee over it. To Rousseau et al. (1998), trust is "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another." This definition highlights two fundamental aspects which are the notion of risk and the interdependence. Because these two aspects are necessary conditions, variations in these factors before and during the relationship will alter the level and form of trust between the participants (Rousseau et al., 1998). As described by Turel and Yuan (2008), trust can be considered as a personality trait or as a state due to the situation or the context. In the first case, a predisposition to trust others should lead to different approaches and strategies than those of distrustful individuals. In the second case, trust is a momentary state of mind leading a negotiator to a specific action.

Basically, as explained by Rousseau et al. (1998), trust can be considered in three different ways: as an independent variable (cause), a dependent variable (effect), or an interaction variable (condition). Trust is also a very important aspect in situations where a mediator (a third party) is involved. As explained by Turel and Yuan (2008), trust relations between the negotiators and the mediator are important predictors of the participants' perceptions and behaviours.

As the level of trust is going to be an important factor regarding the negotiators' strategies and orientations, another fundamental whilst difficult concept will influence the process and sometimes the outcome: it is the "strength" or the relative power of the participants.

THE BALANCE OF POWER

Before and during negotiation, power is established under the influence of numerous variables, bringing for the negotiators the essential question of the balance of power in the process. A first approach regarding power in negotiations may consider resources that permit a party to punish or reward another one for its behaviour. For Zartman (1991) power can come also from elements that determine the vulnerability of the other party to such punishments or rewards.

Boulding (1999), considering that power is the ability to get what we want, divides it in three major categories from the point of view of its consequences: *destructive power*, *productive power* and *integrative power*. The last one has a destructive and productive aspect depending on the relationship and its origin. Lewicki et al. (2001) assume that power in negotiation must not be considered as absolute and coercive even if it is mostly a capacity to influence or the ability to bring about outcomes that are desired. They prefer to separate the power revealed in negotiations from the influence processes used in interpersonal relations. In that sense they join the relational definition of power given by Deutsch (1973) that emphasises the specificities of each situation. The power of an actor in a given situation (contingency approach) can be evaluated as the "degree that he can satisfy the purposes that he is attempting to fulfil." Therefore power depends also on the relationship rather than purely on the resources of each participant. According to Deutsch (1973), some elements of power derive from the situation or the context instead of being only attributes of each actor. The characteristics of the situation as well as the characteristics of the participants determine the balance or the asymmetry of power. As he suggests there is a clear distinction between the *environmental power*, the *relationship power* and the *personal power*.

Dupont (1996) classifies the sources of power in two categories: the ones linked to the situation (over which the negotiator might have different levels of control) considered as "objectives" factors and those in connection with the negotiator himself like skills or credibility.

To Bacharach and Lawler (1981), the level or degree of dependency has an obvious effect on the asymmetry of power in the sense that the more dependent an actor is relative to opponent, the weaker is the negotiation strength. But this dependency has to be considered on two different aspects; the existence and potential of alternatives but also the importance of interests, stakes, objectives or expectations. Not only do the participants count on resources that they possess which are of interest to their opponent, but also they have different expectations regarding the interests provided by these resources.

STAKES AND INTERESTS

Interests are considered by Lax and Sebenius (1986) as the element that can measure negotiation. According to them, it is the raw material of negotiations and can take many forms including tangible but also intangible elements. Although negotiators focus on their interests and must take into consideration the other party's interests they have a very narrow conception of it.

Lax and Sebenius make a clear distinction between intrinsic and instrumental interests leading to three misunderstood aspects of negotiation: interests in the process, the relationships and in principles. Intrinsic interests are independent of any subsequent deals while instrumental interests are influential on following deals or outcomes. The first ones are objective and can be mostly quantified on a short term basis while the other ones are more long-term oriented and can be totally subjective. Both can be present in the three aspects mentioned before: even if negotiators evaluate agreements by measuring the value obtained from the outcome, the way the negotiation process was carried might have an importance as well. The relationship brings intrinsic interests because of the trust established between the parties but sometimes they may find no instrumental interest in keeping the relationship. Finally, negotiators can share or develop common values or norms that can provide immediate or future effects.

Leroux (1992) talks about instrumental or fundamental stakes; the visible, material, tangible part (instrumental) made up mostly of economic aspects is sometimes less important than the invisible one (fundamental) which refers to notions like self-esteem, status or reputation. As Dupont (1996) shows, there is a clear link between interests and stakes. Every negotiation implies expectations, objectives, interests, consequences (positive or negative), risks, probabilities (chances). The stake of the negotiation is the impact of the outcome on the interests, tangible or intangible ones.

ARE SIMULATIONS REAL OR REALISTIC NEGOTIATIONS?

As a purely human activity used in order to solve conflicts or in a more positive way, to build projects, negotiation is a complex interaction involving participants with different visions of what is or should be a proper one. From the vision of the relationship as a pure competition, focusing only on interests, to cooperation based on trust, the negotiators will position themselves in terms of tactics and ways or means which are, to them, appropriate in order to succeed. This positioning depends on many variables linked to the specificity of the situation, the context, the participants or even the nature of conflict. Therefore the paradox of teaching negotiation using simulations, as demonstrated by Wheeler (2006), is to be both easy and hard. Easy because role playing simulations bring a lot of fun and entertainment to the participants but hard because they still consider these situations as disconnected from real negotiations. While being sometimes unable to describe the characteristics of a real negotiation, they point out the lack of real stakes as the most important difference without explaining then why they are so involved into the simulation exercises. One of the interests of using simulations is to highlight the importance of invisible, intangible or as expressed by Leroux (1992), fundamental stakes. The lack of usual material stakes provided by the exchange of resources is counterbalanced by some even more powerful ones like self-esteem, willingness to succeed or even reputation. Participants commit themselves for subjective reasons that go further the simple respect of the instructor's directives.

On another level, the nature of conflict or divergence between the participants seems insufficient in simulations compared to real negotiations. What kind of power could be used in simplified situations when nothing is at stake and when there is no apparent reason not to trust your counterpart? More than this, what could be the sources of this power?

Simulations can be used in order to show how power even at the lowest level can evolve and be transferred from one side to the other one. Due to the association between stakes and power, even with no material stakes and little power in the process, simulations can be very dynamic. Indeed, participants that are more dependent on subjective aspects like their reputation or self-esteem will have a tendency to start negotiating in a less favorable power position. Once again, instead of trying to make simulation exercises look like real situations by adding more complexity through more variables to control, simple conflicting situations, if focused on the evolution of power, can help understand this mechanism.

As expressed by Watkins (2007), it is important to design simulation exercises that are "manageably dynamic." Manageably in the sense that there is enough stable structure for starting the process and elaborate a strategy but also dynamic because the participants can influence and modify the existing structure. This corresponds to the objective of teaching about the process as demonstrated by Cobb (2000) through the evolution of the fundamental aspects of negotiation. As the process develops, participants must improvise and adapt to the situation. Therefore they must be creative, flexible and ready to face the unexpected as explained by Balachandra et al. (2005). Teaching about this necessity to improvise is simpler when participants must concentrate on the essential characteristics and driving forces of the situation.

CONCLUSION

Learning about negotiation involves several domains and disciplines: the cognitive field based on a theoretical knowledge about the activity, the emotional aspects with attitudes and behaviors, the interaction centered on interpersonal relationships. Each angle brings several questions.

Enactment through simulations is probably the best way for people to understand how they react in specific situations with no risks. While they perform, actors are also observers of their own practices, ways and means; they

discover themselves as negotiators. In that sense, any situation even the simplest one is worth a try. As long as they can identify some of the most fundamental aspects of the interaction like trust, power and stakes, they learn about how this elements influence the process and in the end the outcome. Negotiation remains a voluntary process but not a unilateral one; the driving forces of any situation are shared by all the participants.

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