

COMMUNICATION IN THE PROCESS OF NEGOTIATION

KOMUNIKACIJA U PROCESU PREGOVARANJA

Ksenija Čulo, Vladimir Skendrović¹

*Faculty of Civil Engineering, Josip Juraj Strossmayer University, Osijek, Croatia; World Bank, Zagreb, Croatia¹
Građevinski fakultet Sveučilišta Josipa Jurja Strossmayera, Osijek, Hrvatska; Ured Svjetske banke, Zagreb, Hrvatska¹*

Abstract

Reduced to its essence, negotiation is a form of interpersonal communication. Good communication is the most important prerequisite for successful negotiations. Communication is a two-way street that requires everyone involved to exchange messages. The goal is to make the own position or proposal understood by the other party, and this relies on communication ability. Therefore, negotiators need to express themselves clearly and concisely in order to speak with a devotion to the purpose of the negotiation. They should have both verbal and non-verbal skills in order to communicate effectively. There are certain techniques that can improve communication skills in a negotiation. In addition, successful negotiation requires accepting the other person despite differences in values, beliefs, education, ethnicity, or perspective. Communication processes are critical to achieving negotiation goals and to resolving conflicts. However, communication processes vary according to the formality of the negotiation situation. As the rules and procedures of negotiation, become increasingly detailed and specific, the impact of communication becomes less significant.

Negotiation

Negotiation is a dialogue between two or more people or parties, intended to reach an understanding, resolve point of difference, or gain advantage in outcome of a dialogue, to produce an agreement upon courses of action, to bargain for individual or collective advantage and to craft outcomes to satisfy various interests of two parties involved in negotiation process. Negotiation is a process where each party involved in negotiating tries to gain an advantage for themselves by the end of the process. Therefore, ne-

Sažetak

Reducirano do svoje biti, pregovaranje je oblik komunikacije među osobama. Dobra komunikacija je najvažniji preduvjet uspješnog pregovaranja. Komunikacija je dvosmjerna ulica koja zahtjeva od svakog sudionika razmjenu poruka. Cilj je drugoj strani učiniti razumljivom vlastitu poziciju ili prijedlog, a to ovisi o sposobnosti komuniciranja. Zato se pregovarači trebaju jasno i koncizno izražavati kako bi predano govorili u odnosu na svrhu pregovaranja. Ako žele efektivno komunicirati, moraju imati i verbalne i neverbalne sposobnosti. Postoje određene tehnike koje mogu poboljšati komunikativne sposobnosti u pregovaranju. Uz to, uspješno pregovaranje zahtjeva prihvatanje druge osobe bez obzira na razlike u vrijednostima, uvjerenjima, obrazovanju, narodnosti ili stavovima. Komunikacijski procesi su kritični za postizanje ciljeva pregovaranja i rješavanje sukoba. Ipak, komunikacijski procesi se razlikuju ovisno o formalnosti pregovaranja. Kako pravila i procedure pregovaranja postaju detaljnija i specifičnija, utjecaj komunikacije postaje sve manje značajan.

gotiation is intended to aim at compromise. Negotiation occurs in business, non-profit organizations and government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life. Negotiations have particular importance in business. Some people say that "the business life is a permanent negotiation with other people who are defending their own interests". Many people wrongly assume that nothing is negotiable unless the other party indicates that this is the case - a more realistic view is that everything is

negotiable. There are numerous definitions of negotiations. The simplest and most precise one was given by Richard Shell, in his book "Bargaining for Advantage" /1/ wherein he defines negotiation as "an interactive communication process that may take place whenever we want something from someone else or another person wants something from us."

The list of reasons for choosing to negotiate is long. Among them are /2/:

- Test the strength of other parties;
- Obtain information about issues, interests and positions of other parties;
- Change perceptions;
- Buy time;
- Bring about a desired change in a relationship;
- Develop new procedures for handling problems;
- Make gains;
- Solve a problem.

Even when many of the preconditions for negotiation are present, parties often choose not to negotiate. Their reasons may include:

- Parties are fearful of being perceived as weak by a constituency, by their adversary or by the public;
- Discussions are premature. There may be other alternatives available--informal communications, small private meetings, policy revision, decree, elections;
- Negotiating could intensify the dispute;
- Parties lack confidence in the process;
- There is a lack of jurisdictional authority;
- Authoritative powers are unavailable or reluctant to meet;
- Meeting is too time-consuming;
- Parties want to avoid locking themselves into a position; there is still time to escalate demands and to intensify conflict to their advantage.

Whilst there are an infinite variety of negotiation scenarios, most negotiations are defined by three characteristics:

1. There is a conflict of interest between two or more parties. What one wants is not necessarily what the other want.
2. Either there is no established set of rules for resolving the conflict, or the parties prefer to work outside of an established set of rules to develop their own solution.
3. The parties prefer to search for an agreement rather than to fight openly, to have one side capitulate, to break off contact permanently or to take their dispute to a higher authority.

The principles of negotiation are not dependent on the identity of the parties involved, their cultures or the amounts at stake. The skill of negotiation can be applied universally - whether you are seeking a promotion, commissioning a nuclear power plant or simply buying a used car. Because negotiation is such a common problem-solving process, it is in everyone's interest to become familiar with negotiating dynamics and skills. A variety of conditions can affect the success or failure of negotiations. For a negotiation to result in positive benefits for all sides, the negotiator must define what is the problem and what each party wants. In defining the goals of negotiation, it is important to distinguish between issues, positions, interests and settlement options.

An issue is a matter or question parties disagree about. Issues can usually be stated as problems. Issues may be substantive (related to money, time or compensation), procedural (concerning the way a dispute is handled), or psychological (related to the effect of a proposed action).

Positions are statements by a party about how an issue can or should be handled or resolved; or a proposal for a particular solution.

Interests are specific needs, conditions or gains that a party must have met in an agreement for it to be considered satisfactory. Interests may refer to content, to specific procedural considerations or to psychological needs.

Settlement options are possible solutions which address one or more party's interests. The presence of options implies that there is more than one way to satisfy interests.

Regarding negotiation process, Richard Shell distinguishes four stages:

1. **Preparation.** When it comes to preparation, there is basically a need to have a clear idea of how to go about with starting points. One of the keys to effective negotiation is the ability to express own thoughts clearly to the other party.

2. **Exchanging Information.** The information provided to other party must always be well-researched and must be communicated effectively. If there are any doubts, they should always be clarified.

3. **Bargaining.** The bargaining stage could be said to be the most important of the four stages. This is where most of the work is done by both parties. This is where the actual deal will begin to take shape. Bargaining is never easy. Both parties would have to learn to compromise on several aspects to come to a final agreement. This would mean that each party

would therefore have to give up something to gain another.

4. *Closing and Commitment.* The final stage would be where the last few adjustments to the deal are made by the parties involved, before closing the deal and placing their trust in each other for each to fulfill their role.

The complexity of the negotiating process will vary according to the size and complexity of the proposed deal as well as the attitudes adopted by the parties involved. The actual negotiation process in terms of time and intensity depends on the following factors:

- the goals and interests of the parties,
- the perceived interdependence between the parties,
- the history that exists between the parties,
- the personalities of the people involved, and
- the persuasive ability of each party.

Basically there are two types of negotiation process that differ fundamentally in their approach and in the relative prospects for the stability of the agreement that is reached /3/. The first is called the integrative or win/win approach. In these negotiations the prospects for both sides' gains are encouraging. Both sides attempt to reconcile their positions so that the end result is an agreement under which both will benefit - therefore the resultant agreement tends to be stable. Win/win negotiations are characterized by open and empathetic communications and are commonly referred to as partnership agreements. The second is called the distributive or win/lose approach. In these negotiations each of the parties seeks maximum gains and therefore usually seeks to impose maximum losses on the other side. This approach often produces agreements' that are inherently unstable. Capable negotiators understand that the stability of the outcome is important and focus on more than simply maximizing the concessions that can be extracted from the other side.

2. Communication

Communication is a two-way street that requires everyone involved to exchange messages. Between parties, communication includes acts that confer knowledge and experiences, give advice and commands, and ask questions. These acts may take many forms, in one of the various manners of communication. The form depends on the abilities of the group communicating. Together, communication content

and form make messages that are sent towards a destination.

Good communication requires both verbal and non-verbal skills /4/ as well as listening skills to find solutions that respond to the underlying issue at hand. It is the cornerstone of any productive negotiation. Cultivating the ability to understand others and to listen well can also help to build a solid foundation for congenial and productive working relationships. Research shows that about seventy percent of our communication is nonverbal, also known as body language. Nonverbal communication includes gestures, such as facial expressions, body movements and eye contact. It is comprised of physical signs and twitches that are performed and repeated with a degree of consistency though our conscious selves may not be aware of what we are doing. Speech also contains nonverbal elements known as paralanguage. These include voice quality, emotion and speaking style as well as prosodic features such as rhythm, intonation and stress. Nonverbal communication can provide information on what one participant in a negotiation may be concealing from the other one. It is significant in normal interpersonal exchange, and it differs between places and cultures. Although the words coming out of the mouth may mean one thing, the body language could be quite hostile. Therefore, it is advisable to always check on body language in order not to send out negative vibes, which may put off the negotiator completely. It is important to be aware that facial expressions and body posture may have different meaning in different cultures, and to know what kind of physical contact is appropriate with special attention to the physical distance between the communicating persons. Oral communication skills include organization of thoughts before speaking, taking notes and planning what to say, outlining the main points to be covered, determining the logical conclusion of an idea and evaluating the possible reactions. It should be understood that also the silence can be a powerful negotiating tool. The speech must be concise and to the point without being blunt. The main point should be emphasized often, focusing on the benefit to the other party. Recently some researchers have studied what is called manipulative communications. These are intentional and unintentional ways of manipulating words, gestures, etc to "get what we want", by demeaning, discounting, attacking or ignoring instead of respectful interaction. Sarcasm, criticism, rudeness and swearing are examples

3. Negotiation as a communication process

Negotiations can be characterized by a set of common properties /5/:

- There are two or more parties and a conflict of interest among these parties.
- The conflict can be resolved by an agreement, which is accepted by all parties.
- There is a mutual dependency between the parties, one needs the other and vice versa.
- The parties communicate because they want a better agreement instead of simply accepting what the other side will voluntarily give them.

This definition clarifies that negotiation is a communication process, and that this process can be distinguished from a decision process, where no communication might occur. Reduced to its essence, negotiation is a form of interpersonal communication. Communication processes, both verbal and nonverbal, are critical to achieving goals and to resolving conflicts /6/. Negotiation can occur in a variety of forums, and each forum requires the use of numerous communication tools. The dictionary defines communication as the act of transmitting or conveying information. Negotiation depends on information. Generally, the more information one can get, the better is his/her position to negotiate. When negotiating, both parties involved usually prefer to keep certain information private. Still, because each side wants to obtain some information and to conceal other information, and because each side knows that the other side wants to obtain and conceal information, communication can become very complex. A lack of communication between parties leads to breakdowns and misunderstandings. Without ongoing communication there is also risk of impasse and deadlock. Open communication aids mutual understanding and this in turn leads to better long-term agreements between parties.

In negotiation process communication functions to (i) coordinate outcomes, (ii) exchange information, intentionally and unintentionally, (iii) express strategic intentions and tactical actions and (iv) identify patterns of behavior. However, communication processes vary according to the formality of the negotiation situation. As the rules and procedures of negotiation become more formal and increasingly detailed and specific, the impact of communication on the outcome becomes less significant.

Communication in negotiation focuses on:

- Substantive issues.

- Offers and counteroffers; proposals, demands, interests.
- Procedural issues.
- The interpersonal negotiation relationship.
- Intangible issues (e.g., face, respect).

To negotiate more effectively, one must relate to the other party with strong communication skills. To be successful in negotiations, it is vital to understand the importance of nonverbal communication which certainly affects the resolution of conflicts and disputes. Nonverbal behavior in negotiation is culture-bound; the cultural identification of negotiators and the cultural context of negotiation will influence what nonverbal behavior is appropriate and how nonverbal behavior should be interpreted. Yet some negotiators may regard certain nonverbal behaviors as culturally universal,

Some nonverbal behavior "categories" relevant to negotiation are:

- Chronemics (time): Some negotiators place great importance on time; being prompt, meeting deadlines, and using time efficiently. However, this emphasis on time may translate into impatience.
- Proxemics (space and distance): Some negotiators prefer maintaining secondary relationship distance when negotiating; they prefer negotiating in environments that ensure distance (e.g. sitting on opposite sides of a table).
- Kinesics (body): Some negotiators prefer environments that support formal, controlled behavior (e.g., sitting vs. standing).
- Physical appearance and dress: Negotiators may rely on appearance attributes to indicate respect for the negotiation situation.
- Paralanguage: Like face/eye expression, negotiators may trust judgments based on vocal tone, rate, etc.
- Social/cultural rituals, manners, and conventions: These areas may be particularly critical in the pre-negotiation phase.

Nonverbal behavior must be interpreted in context, including the sequence in which it occurs. Nonverbal behaviors are particularly significant when they are inconsistent with verbal messages. Negotiators should check their perceptions of inconsistency with the other negotiator if the inconsistency is significant. Some negotiations are processed in a language which is not the mother tongue of one or even both parties. Little research, if any, has been done to assess the role of nonverbal communication in such negotiation settings. The issue becomes even more complex if the

communication between parties is interpreted or translated where the focus is split on both the speaker and interpreter and nonverbal messages become blurred and not consistent with verbal ones. Even so, the role of nonverbal behavior has not been researched in distant communication settings such as video conferences. The authors' own experiences in negotiations via video conferences reveal some significant differences in nonverbal behavior of participants compared with their behavior in face-to-face communications. It is understood without saying that nonverbal behavior plays no role in negotiation setting where participant do not have visual contacts, such as communication via phone or through audio conferences, except for nonverbal elements known as paralanguage, including voice quality, emotion and speaking style as well as rhythm, intonation and stress. Great negotiators are great listeners /7/. They don't do a lot of talking and spend much of the time asking smart questions and concentrating on the answers. They also take their time responding to what they've heard as opposed to reacting in an unnecessarily adversarial fashion. The psychological benefit of being a good listener is that the person to whom one is listening tends to be more cooperative and understanding in reaching a solution to the problem. The good listening skill helps evaluating and analyzing the situation. Because everyone wants to be heard and to be understood, one can often effectively diffuse a situation and have a desirable outcome.

Successful negotiation requires accepting the other person despite differences in values, beliefs, education, ethnicity, or perspective. It allows considering an issue from all sides and promoting understanding and interest in the other person without agreeing with his or her point of view. Negotiation is a matter

of choosing a solution to which no one has an objection.

4. Conclusion

There is no doubt that reduced to its essence negotiation is a form of interpersonal communication. To achieve success in negotiations, effective communications must be a focal point of the strategy employed. Mastering the art of effective communication in today's business climate is a challenge. To be an effective communicator, professionals must master both verbal and nonverbal communications to achieve their goals. From listening to communicating both verbally and nonverbally, all the signals sent (and received) affect the outcome of negotiation efforts. Successful negotiation also requires accepting the other person despite differences in values, beliefs, education, ethnicity, or perspective.

Notes

- /1/ Shell, G.R.: „Bargaining for Advantage: Negotiation Strategies for Reasonable People“ [Penguin Book, 2006](#).
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