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### EGOTIATION IS THE NEW NEGOTIATION: THE CONCEPT OF NEGOTIATION REVISITED

**Katarzyna Jagodzinska**

University of Neuchâtel, Switzerland. Email: [katarzyna.jagodzinska@unine.ch](mailto:katarzyna.jagodzinska@unine.ch)

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#### **Abstract**

The definition of negotiation has already been broadly examined in literature and varies from one author to another. However, there does not exist a complete conceptualization, which would grasp all the essential constituents of negotiation. This article aims to fill this niche by revisiting the concept of negotiation and broadening it by the elusive element that, if not properly addressed, too often causes negotiations to fail: the ego factor. Consequently, this paper introduces the novel concept of *egotiation*. The new conceptual framework provides a straightforward and user-friendly reference that can be used when preparing for a negotiation or at any time during a negotiation to help better understand all the dynamics behind the negotiation process. Furthermore, this article unravels what negotiation really is based on the responses collected from a multicultural audience, and shows how these results align with the novel concept of negotiation.

**Keywords:** Negotiation, Egotiation, Conflict Management, Verbal and Non-verbal Communication, Bargaining Power

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#### **1. Introduction**

In one of his bestselling business books, *Beware the Naked Man Who Offers You his Shirt*, Mackay compares human babies to sharks (Mackay, 1990). This analogy caught my attention just as I was preparing my next session in negotiation. The idea is a clever one, since it immediately pins down the two fundamental elements of any negotiation: needs and their fulfillment. We all start out as little sharks, hungry for food, security, shelter, caring, love and attention. In the early stages of life, our whole universe is centered on satisfying these basic needs. The media through which we convey our message are voice and body language. As we grow and develop in the society, our basic survival needs remain pretty much the same but are broadened with interests and identity-based needs. We thus each develop our own system of needs. The ensemble of needs is best illustrated by Maslow's pyramid of human needs, which include physiological, safety, social esteem and self-actualization need (Maslow, 1954).

In the quest for need fulfillment, we still have verbal and non-verbal communication at our command; however the way in which we employ these media changes dramatically. Unfortunately, it no longer suffices to simply cry and wiggle to have our loved ones rush in and fulfill whatever it is we crave. Apparently, we have to establish other means of arriving at desired outcomes. We now have to learn how to navigate shark infested waters, how to swim with the sharks, as Mackay (2005) would say. We need to learn how to negotiate. What does this really mean?

## 2. The Definition of Negotiation

Among the many definitions of negotiation it is difficult to find one that would embrace all the structural elements of the negotiation process. Furthermore, there does not exist a universal interpretation. According to Cohen (1980), "Negotiation is a field of knowledge and endeavor that focuses on gaining the favor of people from whom we want things" (Cohen, 1980, p.15). As observed by Fisher *et al.*, negotiation is about much more than merely obtaining support or favorable treatment from the other party; "Negotiation is a basic means of *getting what you want from others*. It is a back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed (...)" (Fisher *et al.* 2012, p.25).

Definitions vary not only according to author but may also be different depending on culture. For example, in the US negotiations are perceived as an opportunity to exchange ideas and arrive at innovative solutions. Negotiation is typically a creative, problem-solving process. In France, negotiations may be considered as a reaction to a conflict situation, and as such may carry the burden of negative emotions associated with conflict.

In the whirlpool of definitions, it is essential to establish a point of reference. Mayer states that negotiation is "an interaction in which people try to meet their needs or accomplish their goals by reaching agreement with others who are trying to get their own needs met" (Mayer, 2000, p.142). This definition grasps the fundamental idea behind the negotiation process by identifying the following key elements: two parties, needs/goals, need for finding an agreement. These three ingredients are the determinants of negotiation. The object of negotiation is not needs, goals, interests or views as many may falsely assume. The real reason why people enter into negotiations is availability, and more specifically the scarcity, of resources. Tangible or intangible assets awaken a desire for them. Because resources are limited, everybody's needs or goals cannot be equally met, hence parties engage in negotiating who will get "a slice of the pie". The adopted negotiation approach is shaped by either reason or emotion (or a mixture of both). Ideally the negotiation process should be a cooperative effort of both sides, which engages reason far more than emotions. One might ask why it is recommended to employ reason rather than emotion when negotiating. As Fisher and Shapiro rightly observed, "Emotions can be obstacles to negotiation (...). They can divert attention from substantive matters; they can damage a relationship; they can be used to exploit you" (Fisher and Shapiro, 2006, p.5). Regardless of their destructive potential, emotions cannot and should not be switched off though. They are the indicators of what we find acceptable and what not, they are our inner GPS system. Naturally, the need for limited resources fuels emotions. The condition *sine qua non* of a successful negotiation is thus the ability to discuss feelings without overly demonstrating them.

Although cooperation is the desired strategy, competition is at the source of most, if not all negotiations. For example, in business negotiations parties compete for more favorable contract terms, higher pay, a privileged role within the company, fancy office space and elevated job titles. These modern symbols of power have a huge hold over people's ego. They also carry a serious potential for conflict. I recently witnessed this myself when our Faculty moved to a new building and offices were being attributed. The allocation of workspace was pretty much random. The dean distributed a list with faculty member's names and the office number. The move took place in the summer period when I was away for a few days. When I was leaving everyone was excitedly speculating what the new place would be like. Upon my return I was surprised to find that the atmosphere among my colleagues had changed dramatically. At first it was difficult to pin down what the reason behind the sudden decrease in morale was. However, it quickly became evident through the bitter, seemingly unrelated remarks and sour looks that the problem was caused by the unequal distribution of nice (bigger, more quiet and sunnier) offices. The feelings of unfair treatment and resentment resulted from the lack of possibility to negotiate who gets which office (the decision was made top-down).

### 3. What Negotiation is *Not*

Negotiation is currently a very alluring topic. Universities include negotiation courses in their curricula, many books are written on the subject and executive courses in top-notch business schools are dedicated to the topic. A thorough literature review shows that there clearly is confusion as to what negotiation really is. One is left with the impression that negotiation has almost become an urban tale. Book titles scream that everything is negotiable and trap us in a labyrinth of getting to *yes* and getting past *no*. Authors convince us that we are all negotiators, whether we like it or not, and that almost each decision we take is a negotiation. These are myths, which need to be abolished right now. My father likes to say that death and taxes are unavoidable and not negotiable. I can think of at least a few other good examples of things that absolutely cannot be negotiated. Likewise, not all people are negotiators, let alone skilled ones, and by no means is every exchange we have already a "negotiation".

Negotiation should not be confused with communication or simple decision-making. It is not the circumstances, for example a business vs. private setting, that determine whether we are dealing with a negotiation process. Rather, negotiation, *sensu stricto*, occurs when all the fundamental ingredients of the system of negotiation are in place.

The following elements, which have been mentioned earlier, form the System of Negotiation:

1. Determinants of negotiation: two parties, opposing needs, quest for agreement,
2. Object of negotiation (the differentiator): most often limited resources,
3. Negotiation approach: reason vs. emotion.

### 4. Negotiation: Is it Art or Science?

Undeniably, negotiation is a domain in expansion. Its importance for business practice is rapidly increasing due to several factors. All European businesses encounter the same reality and are currently facing similar problems. They are functioning in a more international, complex and competitive environment, whether in a domestic or broader market. Even if a company is operating only in the national market it will be influenced by international competition and new legal regulations. Conducting business in this highly dynamic environment is inevitably more complicated and requires businesses to adapt, apply novel rules, establish new practices and deal with a wide range of economic decisions. To keep up with the fast pace of the global economy, most industries are experiencing a growth in the level of specialization of services. Acceleration and innovation are the key survival conditions. Inevitably the complexity of technologies and processes augments as businesses take the path of internationalization. Entering new markets opens Pandora's multi culture box. Communicating in a world of diversity constitutes one additional challenge. Mergers and acquisitions, international joint ventures, company over takings are a minefield of issues under discussion. Agreement is reached not only if the parties accept the dependent and independent variables, which constitute the portfolio of the companies. Most importantly, the negotiations have to prove a success.

Negotiation involves a wide variety of techniques and strategies. It is governed by rules pertaining to the preparation (the so called X and Y preparation patterns), initiation, intensification and closing stage tactics, as well as such concepts as opening offer, Zone of Possible Agreement (ZOPA) and Best Alternative to Negotiated Agreement (BATNA). In that regard negotiation is a science. There are certain established rules of the game, which need to be followed. On the other hand, master negotiators raise the science to a sublime art. They employ communication, active listening and investigative skills. The creams of the crop are excellent body language translators. They can see behind the words. A good negotiator can hear the ego speak to him. An excellent negotiator can distinguish its whisper. The secret of a good negotiator lies in the ability to hear behind the words.

## 5. Eliminating the “n” from the Equation: The Concept and Elements of “Egotiation”

As already mentioned, negotiation is a fairly formalized process between two parties competing for limited resources. This sounds reasonably straightforward, doesn't it? Why then is there so much commotion around the whole concept? Why do so many people feel stressed about negotiating and seek assistance and guidance (judging by the volume of academic literature in the field and numerous number one bestsellers sold in millions of copies all over the world)? Moreover, why do so many negotiations go astray leaving the participants with crumbs instead of the actual cake they were hoping to share? What are we missing?

These were the questions that incessantly lighted up in my head during the review of many negotiation books and articles. Still haunted by the dilemma, I was in the middle of one of my negotiation sessions when the idea suddenly hit me. I was witnessing a power struggle between two super achievers trying to negotiate an agreement for the pharmaceutical companies they were representing. They put on a great show. I was mesmerized to the degree that I was unconsciously applying the academic principles to what I was seeing. My mind had to tick the boxes and find a bridge between practice and theory. At first sight everything seemed to fit: the key concepts were in play, it was obvious which preparation patterns have been applied, there was awareness of the fundamental concepts, such as BATNA, ZOPA, the chilling and boomerang effect, etc., the basic negotiation techniques were being tested and the fundamental principles respected. The scholarly lenses were fogging my thinking though. I then realized that there was one element that I had not come across in the books I have read but that was undoubtedly happening. No longer was I witnessing a negotiation, it was an egotiation! The process was driven by an inordinate need for recognition and approval; it was a hunger game of the ego.

Mayer identifies communication as one of the elements of the Wheel of Conflict. According to him, the main reason why conflict occurs is that people do not communicate accurately, especially in emotionally charged situations when it becomes more difficult to convey our thoughts and feelings (Mayer, 2000, p.9). Many misunderstandings arise because one party assumes it has expressed itself in precise terms when in fact it has not. When the other party then acts in accordance with different (misunderstood) information and assumptions, it is perceived as acting in bad faith. Less than perfect communication skills certainly are one side of the medal. I recently discovered the other one when I was a witness to the exchange between a client and a waitress in my friends' family business (hotel and restaurant). The situation happened as presented below.

*There was a group of German businesspeople staying at my friend's hotel for a period of 5 days (Monday to Friday). On their arrival on Monday, the head waitress familiarized the guests with the logistics of their stay; she informed them about the hotel reception hours, restaurant opening times, room service, additional services, etc. The German businesspeople would be away at the company they were visiting during lunch and dinner but were to have breakfast each morning in the restaurant. They asked what time breakfasts were being served. The waitress replied that breakfast could be available between 7 and 9.30 am. The Germans decided they would like their morning meal served at 8.30 each day.*

*The restaurant and hotel constitute a small family run business. The restaurant is on the first floor of the vast building and the hotel is on the upper level. The restaurant normally opens at 11.00 am for external guests. Nonetheless, the hotel guests can have breakfast in the restaurant outside the standard business hours. When there are guests staying at the hotel who wish to have breakfast, they indicate what time is convenient for them and one of the waitresses comes in early to prepare the meal for them. Naturally, this information is not communicated to the hotel guests.*

*During the whole week, the German businesspeople took their breakfasts at 8.30. On Friday, the last day of their stay, at 7 am my friend received a rather unpleasant call from the manager of the German delegation. The man was complaining that breakfast is not ready yet and that the Germans have little time to catch their return flight. My friend was very surprised by this sudden demand. Luckily, he was present in the hotel and could take immediate action to remedy the situation. In the end breakfast was served at 7.20 and the German guests managed to arrive at the airport on time.*

The phenomenon can be labeled as a misrepresentation effect. It occurs because people rarely communicate anything without a specific, consciously or unconsciously pre-determined, agenda in mind; rather their aim is to make a certain effect, be it having other people agree with them, perceive them as virtuous or consent to what they want.

In the above example, the waitress wanted to make a professional impression about the hotel and restaurant. Her aim was to show that the restaurant could accommodate its guests' needs. She did not find it necessary to explain that someone will be coming in before the restaurant opens in order to serve the hotel guests' breakfasts. The Germans wrongly assumed that since the waitress made a remark that breakfasts can generally be served between 7 and 9.30 am, then they can show up at 7 am on the last day of their stay and not at 8.30 am as agreed when they first arrived.

The misrepresentation effect along with the fact that people are imperfect communicators causes many negotiations to go astray. When entering a negotiation, it is helpful to keep in mind that the communication process very seldom is a pure, neutral and objective one. People do not disclose all information in their possession. They either deliberately withhold bits of it for their own advantage, or they unintentionally do not display all knowledge that they may hold. Furthermore, each party has different interests and their own idea on how they should be satisfied. Accordingly, the way in which we communicate our goals is tainted by what we want to achieve. The goal determines how we communicate.

There are various techniques for avoiding the misrepresentation effect and improving the communication process in the sense of grasping the real message and discovering the real intentions of the person we are negotiating with. The primordial ones are presented below.

### **5.1. Listening**

When it comes to communicating, the old proverb "silence is golden" seems to enter into a new dimension. The first rule of any process that requires obtaining information from the other party, such as for example a court or investigative police hearing, is to allow the other party to talk. This is fairly simple. People have an enormous need for expressing themselves and being heard. Emotional exhibitionism seems to be a sign of our times, an observation, which is reflected by the term "selfie generation" (Jagodzinska, 2016). The various online social networks and information exchange portals serve as a vent for communicating and freeing the ego. Ironically, the heavy overload of correspondence makes people more immune to what others are actually saying. The constant information flow lessens our perception of what is really being conveyed in the heart of the message. In consequence, we are steadily losing the ability to listen, both in private and professional surroundings.

Negotiation is a process of hearing, which should balance reason and emotion. The capacity to actively listen is by far the most important characteristic of a master negotiator. To listen actively means to tune out any background noise and fully concentrate on what the other person is saying. In general, we should not interrupt the speaker. This is not just a matter of courtesy. More importantly, interrupting inevitably breaks the message flow and can completely change the dynamics. The only justified exception is if we have not understood something and would like to have it repeated. While we listen we should not plan what our next move will be or how to contradict the speaker. We should try to keep an open mind and push aside any prejudices we may have. In the preliminary phase of information gathering it is crucial to restrain from making judgments.

Negotiation is an art of self-management. In this sense, we apply reason to what we hear; we manage our perception and reign in feelings that the speaker may evoke in us. It is at times a counter intuitive process, for example when in the best interests of the negotiation we force ourselves to restrain from succumbing to negative feelings caused by the other party or avoid striking back just to flex our bargaining muscle.

While it is essential to maintain objectivity, it is also recommended to listen in to our emotions. As observed by Fisher and Shapiro, emotions are a vital part of any negotiation process. They cannot and should not be switched off but instead should be craft fully managed. Feelings are like road signs; they alert us to what is right and what is wrong (Fisher and Shapiro, 2006). While actively listening we should pay particular attention to the choice of words

of the speaker. Firstly, words designate what is considered reality from the point of view of the other person. They are thus a valuable source of information about the speaker and their needs. The more one talks, the more one inevitably reveals about oneself, one's preferences, attitude, etc. Figuring out what is important to the other party is vital in establishing a bargaining advantage. Secondly, words create impressions: "*They may forget what you said — but they will never forget how you made them feel*" told by Carl W. Buehner. In this sense, both the speaker and recipient can use words as an effective tool of influence.

Listening should not be limited to the physical act of hearing what is being verbally said. Non-verbal and para-verbal communication form an integral part of the negotiation process. While actively listening to the words, one should watch out for changes in body language and take note of the manner in which things are being said. A skilled negotiator should thus operate on all three levels of communication: verbal, non-verbal and para-verbal.

### 5.2. Looking for the Ego

"*By failing to prepare, you are preparing to fail*" said by Benjamin Franklin. Many authors underline the importance of preparing for the negotiation as one of the determinants of its successful outcome (Thompson, 2014, p.15). This is sound but incomplete advice. Preparation will be covered in more detail in the next parts. At this point, it needs to be clarified that the key to winning a negotiation is adequate preparation understood as the collecting of supporting data during all the stages of the negotiation.

Negotiation is a process of information gathering and uncovering the ego. Information is power. It determines the negotiation approach, structures our offer and helps protect our interests, and ultimately gain a competitive advantage over the other party. Going back to the shark analogy, the difference between being the shark, his equal or shark bait depends on gaining at least the same knowledge that the person you are negotiating with (Mackay, 1990, p.22). A master negotiator aims at gathering multidimensional information: both explicit and implicit. Firstly, she listens to the demands made by the other party. Furthermore, she registers the features, which characterize the other person. She pays particular attention to the attributes of their professional and social status and looks for glimpses of the ego reflected in attire, gadgets, jewelry, cars, office design, etc. These indicators form the overall image of the other party. They help to figure out what makes the other person "click" and what might be the individual's hot buttons or weaknesses. Equipping oneself with such knowledge makes it that much easier to meet the needs of the other party or to persuade them to make concessions on our behalf.

### 5.3. Asking Questions

In order to obtain exhaustive information it is recommended to pose open questions. An example of an open question may be: What would have to be modified for you to accept this agreement? What are the aspects that are compelling and which points would you rather strike from the deal? The purpose of such questions is to uncover the needs of the other party. Furthermore, they constitute a basis for investigating options for mutual gain. More importantly, open questions, as opposed to yes or no questions, allow the speaker to present the issue from their own perspective, using their own words to describe reality. Words do not just convey meaning; they provide precious clues about the person, their communication style, attitude, beliefs, values, level of education, personal culture, intelligence, background, etc. The questions should be formulated in a neutral manner, by no means hinting at a preferred answer and should be an invitation to further information sharing. Emotionally loaded questions should be avoided. In order to test the accuracy or truthfulness of the speaker we might ask a seemingly innocent question to which we know the answer. If the reply is exaggerated or rather loosely related to reality, we can reasonably assess the reliability of the other party and act accordingly. Apart from open questions, the negotiator can introduce additional questions, such as back-on-track questions used in case the other party strays from the negotiation topic, as well as leading or follow-up questions aimed at gathering more comprehensive knowledge.

## 6. Negotiation: A Collaborative Approach to Ego Satisfaction

Socrates said, "I cannot teach anybody anything, I can only make them think". I like to follow this maxim when I lecture negotiations. That is why I encourage the participants of my classes to actively take part in discussions, apply critical thinking skills and freely express their opinions. Staying true to my preferences, I asked a group of selected students from to answer a simple question: What is negotiation according to you? Before the assignment we have covered the Harvard approach to negotiation and were familiar with the iconic book by Fisher *et al.* (2012). The group of 109 students from the University of Neuchâtel, Switzerland, Sciences Po, Paris and Wrocław University of Economics, Poland formed an international mix coming from different backgrounds and countries. This diversity made me even more curious about the results of this small experiment. The participants noted down their opinions on loose sheets, which I then collected. As I later reviewed their replies, a pattern became apparent. I noticed that the answers fall into one of four categories. I noted down the percentage of answers next to each category. Negotiation is commonly addressed as "splitting the pie", consequently the numbers are graphically presented in Figure 1. The results are as follows (some answers were similar and these are included in one point under the same category), the key words are highlighted:

### Category 1. Conflict management (10%)

- it is not about getting what you wanted but rather about reaching agreement that satisfies both parties in order to avoid conflict
- finding a solution that minimizes or resolves conflict

### Category 2. Manipulation (5%)

- being manipulated and influenced
- manipulating others

### Category 3. Collaboration (45%)

- finding a common accord that both parties accept and that satisfies the needs of both parties
- convincing without pushing the other person into a decision
- maintaining a long-term relationship, finding a win-win solution with creative, value-adding features
- finding a compromise and making concessions

### Category 4. Ego satisfaction (40%)

- achieving personal success in the negotiation
- succeeding in avoiding the mental blockage associated with "no" and finding a positive resolution for oneself
- feeling of being appreciated and understood, which triggers a readiness to advance towards a mutual solution.

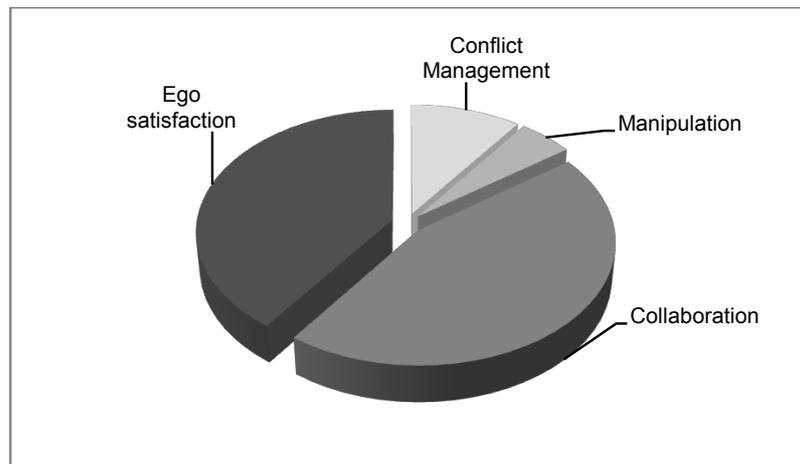


Figure 1. What is negotiation?

According to the majority of the participants who took part in the assignment, reaching agreement is primarily achieved via collaboration. The main objective behind this approach is to find a creative, value-adding solution that satisfies the needs of both parties. Respect for the other party and the relationship are high on the priority list. Parties meet halfway by making concessions and settling on a compromise. The second runner up is the ego element. The linking theme between collaboration and the ego is the importance of not pushing the other person into agreement. Most people have a fight mechanism when someone applies pressure on them. When pushed, the natural reaction is to push back. It is reinforced by the reciprocity principle: we tend to treat others in the same manner that they treat us.

The ego manifests itself in the feeling of personal satisfaction derived from the negotiation, finding a positive resolution for oneself, and the sensation of being understood and appreciated. Two things are worth noticing. Firstly, collaboration and the ego element have obtained almost the same amount of attention (45% vs. 40% of total replies). Secondly, ego satisfaction triggers a readiness to advance towards working out a mutual solution; it can therefore be perceived as a condition *sine qua non* of collaboration.

Some students identified negotiation as almost a synonym of conflict management. In accordance with their opinions, the aim of negotiation is not solely getting what you want, but rather reaching agreement that satisfies both parties in order to avoid conflict. This understanding is different from the classical perception of collaboration, in the sense that focus is not only on finding a win-win solution, but also on one that minimizes or resolves conflict. The purpose of negotiation is thus conflict management or resolution.

The last and smallest slice of the pie is manipulation. This element is understood in both active and passive behavioral terms: as being manipulated or influenced or as manipulating or influencing others in order to "get to yes".

## 7. Concluding Remarks

As shown by this simple experiment, there are four reasons why people negotiate: to manage conflict, manipulate, collaborate or satisfy the ego. We thus arrive at the definition of negotiation. *Negotiation is a fairly formalized process during which two parties with different needs try to reach a mutually accepted agreement about the distribution of limited resources. Ideally it should be a process of reasoning free from emotion, which satisfies the egos of both parties.*

After having refreshed the traditional definition of negotiation and broadened it by the novel concept of egotiation, the main conclusion is that egotiation is an indispensable element of a successful negotiation. Consequently, I am addressing this article to all those whose egos

have gotten in the way of successful deal-making and for those who have to negotiate with people whose egos are larger than life (or the so often called "difficult people"). Let the hunger games of the ego begin!

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