

Mapping the Game: Situational Versus Structured Negotiations

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DOI: [10.36348/sjef.2020.v04i06.012](https://doi.org/10.36348/sjef.2020.v04i06.012)

Received: 02.06.2020 | Accepted: 16.06.2020 | Published: 18.06.2020

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Abstract

Business negotiators ask themselves frequently what could be done to better a poor, frustrating deal. This article addressed the question by analyzing N=535 business negotiations outcomes, from which $n_1 = 265$ were held without any preparation (situational negotiations), and $n_2 = 270$ negotiations were mapped and structured before the negotiation starts. Key findings pointed 94 percent agreements on both groups. However, the n_2 group performed 12.42 percent better and created approximately 25 percent more options for mutual agreements than n_1 . Evidence also suggests some negotiators failed in recognizing the underlying interests on the other side of the table, despite defending empathy as one of the crucial qualities to a successful business negotiator. This paper provides scholars with a new perspective and taxonomy on the business negotiations preparation. Implications for managerial practice are discussed, and future research directions are suggested.

Keywords: negotiation skills, social interaction, empathy, business management, four-type negotiation matrix.

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INTRODUCTION

Business negotiation is an intriguing and challenging research topic, attracting scholars' attention over the past decades [1-10].

In this article, we addressed the business negotiation preparation process by comparing two groups of business negotiations: one group was instructed to map the negotiation with due anticipation, better prepared, and then engaged the negotiation—the other group engaged in the negotiation without ensured preparedness.

Findings revealed proper negotiation preparation as crucial to better business negotiation deals. This argument may sound too simplistic. However, parties engage in negotiations without systematic preparation, regardless of the nature and complexity of the negotiation. Therefore, they tend to negotiate intuitively, based on experience and trial-and-error.

Parties use to negotiate with counterparts, family, partners, colleagues, co-workers, for instance, on an intuitive basis, hereafter situational negotiators, in opposition to the skilled negotiator, prepared to face challenging scenarios, hereafter *structured negotiators*. Such typology is useful to differentiate skilled versus

unprepared negotiators, *situational negotiators* [7], as depicted in Figure 1, as follows:

Feature	Situational	Structured
Skills	unskilled	skilled
Preparedness	Unprepared	Prepared
Underlying interests of the other party	Narrow	Open
Level of Information	Superficial	Detailed
Value creation	Limited	Expanded
Informational risk	Higher	Lower
Time for preparation	None	Necessary
Contingencies	Unexpected and unanticipated	Expected and Anticipated
Level of self-confidence	Low	High

Fig-1: Situational x Structured negotiators [1]

Observe in Figure 1 the differences between both styles. In this research, the time for preparation from structured negotiator was 2.44 times greater than the situational ones.

Moreover, negotiation has been defined as “a process of communication by which two or more persons seek to advance their individual interests through joint action.” [13] (p.7). Also, “Negotiation is a process of communicating back and forth for the purpose of reaching a joint decision.” [14] (p. 20).

We followed the groundbreaking work from Dias [1], who designed a new model for negotiation classification, the Four-Type Negotiation Matrix [1], by which the number of parties and number of negotiations - organized into types, useful to classify any sort of negotiation, as depicted in the following Figure 2:

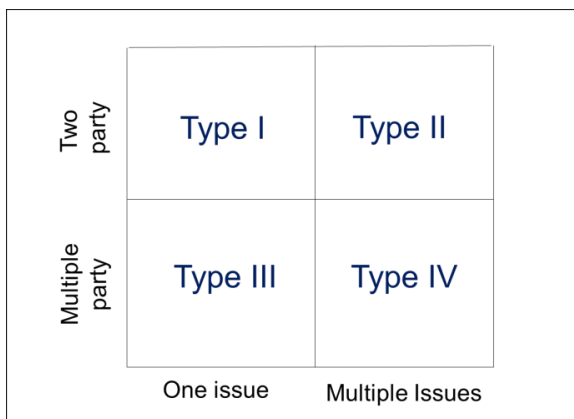


Fig-2: Four-Type Negotiation Matrix. Source: Dias, 2020. Reprinted under permission

In Figure 2, the matrix combined the number of parties and the number of issues negotiated in the same framework, in addition to Raiffa's distributive vs. integrative negotiation definitions [15].

In this study, four two-party, role-play simulations on business negotiations were applied to the participants, as illustrated in the following Figure 3:

Role-play simulation	Number of parties	Number of issues	Type of Negotiation
#1	two-party	one	Type I
#2	multiple	one	Type II
#3	two-party	one	Type I
#4	multiple	one	Type II

Fig-3: Cases distribution: The Four-Type Negotiation Matrix. Source: Dias, 2020. Reprinted under permission

When the participants could not engage in a group of two (because the number of students was odd or because some of the students missed the negotiation session), they receive additional instruction to engage in an existing group, therefore, groups performed Type III negotiations, in a few cases.

The study is intended to provide business leaders, negotiators, mediators, facilitators, agents, scholars, instructors, and practitioners with a sound

perspective on the evolving and fascinating practice of negotiation and implications for their outcomes.

In the next section, we present the research methods and limitations—next, the results from the negotiation outcomes. Analysis, discussion, and future research suggestions compile the present study.

RESEARCH METHODS

And limitations

We analyzed a convenient sample of MBA students who have participated in N=535 negotiations. The students were gathered from 11 different cohorts from all Brazilian regions.

To each cohort, the same four sets of two-party role-play simulations were applied. The negotiations were held from 15 December 2019 to 30 May 2020. Out of the 354 participants, 60 percent were male, 40 percent female, 70 percent in the middle to high-level management positions, while 30 percent occupying low-level management positions, from which 95 percent Caucasians, 60 percent married, 40 percent single or divorced; 80 percent is 25-45 years old, 10 percent above 45 years old; 30 percent speak a second language, besides Brazilian Portuguese (mostly English).

The business negotiations were divided into two groups of data sets: n_1 and n_2 . Group n_1 gathered 208 participants who engaged in 265 negotiations with no preparedness for the negotiation. As soon as the parties finished reading their roles, the negotiation started.

Group n_2 , on the other hand, gathered 146 parties who engaged in 270 negotiations, with ensured preparedness, through negotiation mapping (see Appendix I for a sample). Group n_2 had approximately one hour to fulfill the negotiation Map, beforehand negotiation.

This study combined mixed-methods approach, such as a classic experiment with qualitative interviews, case study, with direct participation. This article is also supported by Goffman's dramaturgical theory [12].

We also conducted 35 semi-structured, in-depth qualitative interviews during the period investigated, with a 100 percent response rate to face-to-face invitations. Quotations were allowed, and the interviewees' identities were omitted for compliance issues to ensure the confidentiality of the research.

This study is limited to business negotiations. Other negotiations, such as governmental negotiations, are not the scope of the present work

Finally, this study is also limited to the Brazilian business negotiation scenario. Other scenarios or countries may differ in their results and are not investigated in this research. In the next section, we present the outcomes from the negotiations, followed by analysis and discussion.

FINDINGS AND ANALYSIS

Table 1 summarizes the group's distribution, total agreements, parties involved and group distribution, as follows:

Table-1: Groups distribution and total agreements

Groups	Parties	Negotiations	Total Agreements	%
n ₁	208	265	251	95%
n ₂	146	270	251	93%
Total	354	535	502	94%

Observe that group n₁ performed 265 negotiations, with 95 percent agreement rate. Conversely, group n₂ engaged in 270 negotiations with 93 percent agreements rate. In total, both groups performed 94 percent agreements.

Table 2 illustrates the performance of group's n₁ and n₂, as follows:

Table-2: Performance of group's n₁ and n₂.

Groups	n ₁	n ₂	%
Deals (BRL)	187.556.143,00	210.855.457,14	
Negotiations	265	270	
Agreements	251	251	
Deals (BRL) /Agreement	747.235,63	840.061,58	12,42%

Note: The full data sample is displayed in Appendix III.

Observe in Table 2 that the group n₂, *structured negotiators*, performed 12.42 percent better than the group n₁, the *situational negotiators*.

The negotiation map is presented in Appendix I, to provide a better understanding of the preparation model to be followed by practitioners.

When the negotiations ended for group n₂, the parties were instructed to hand their negotiation maps to the facilitator.

Group n₁ took approximately 45 minutes to complete the task, while group n₂ took 110 minutes to complete the full negotiation.

Next, we analyzed 270 maps designed for negotiation preparation (see Appendix I). Comparing the options created for mutual benefit between group's n₁ and n₂, group n₂ performed 24.9 percent greater than group n₁.

Primary data from group n₁ was collected manually after the negotiation ended, once there was no map to the students hand over.

Relevant was the finding regarding the maps fulfilling: the students were asked to report, during the briefing sessions, what were the three most important qualities for an excellent negotiator. Eighty percent of the responses included the word *Empathy* as one of the top four negotiation qualities. Next, the participants engaged in their negotiations. The map analysis (group n₂) revealed that 20 percent of the maps presented the field *interests or the other party* filled in blank (see Appendix II).

Therefore, evidence suggests that negotiators declare differently then they negotiate. How is it possible to negotiate with another party without understanding their underlying interests?

In the debriefing sessions, most students laughed when the outcomes were revealed, some showed to be surprised with their performances.

DISCUSSION

This research has direct implications in several fields of research, not limited to (i) business negotiations in general [1-10], [24]; (ii) civil aviation [5]; (iv) aerospace industry [18-22]; (v) teaching materials in negotiations [25], among others.

First, evidence suggested the benefits of prior preparation before negotiation. The group n₂, who invested time in fulfilling the negotiation map performed 12.42 percent higher in the total value deals per agreement, as well as 24.9 percent more mutual agreement options than group n₁, however, taking considerable time to complete the task, in comparison to group n₁.

Interviewee #27, from group n₂, described the experience with the structured negotiation: The negotiation map presented in the classroom proved to be a reliable and robust tool for complete concatenation and structuring of the logic of my negotiations. The difference between uncharted negotiations, which was not supported by the negotiation map, versus the negotiation in which the map was filled in advance, is clear and demonstrates significant results.

Interviewee #27 revealed also the perceptions and feeling regarding the negotiation process, and outcomes: The negotiator feels better based on the moment of presenting his arguments and is forced to

put himself in the place of the opposing party, which automatically generates empathy. Although simple, if used with the necessary care, it is a powerful tool to help win disputes.

Interviewee #10 commented her preparedness for future negotiations: Mapping the negotiation pointed me a north to follow. In future negotiations, I will use the negotiation map in my negotiations.

Interviewee #16 declared is better prepared for daily business negotiations: In many cases, I never knew what to expect from a negotiation outcome. We are called to enter an arena with lions, and we have to kill a lion every day. In the future, I will enter the arena much better prepared to face any type of negotiation. I did not realize how many details we usually leave at the negotiation table, unexplored. I feel better prepared now.

Usually, students get frustrated with poor deals and complain about the other party. Comparing the two groups, the level of complaints from group n_2 was significantly lower than group n_1 .

Finally, much unnecessary conflict can be avoided when the parties practice empathetic behavior. Mapping previously the negotiation results in a series of advantages to the *structured negotiations*: (i) bring more information, and therefore, increased levels of self-confidence for each party; (ii) the other parties feel respected and tended to be more cooperative when their underlying interests were appreciated; (iii) parties left the bargaining table visibly satisfied with their outcomes; (vi) intangible assets were included in the negotiations increasing the total deal values; (vii) the parties declared their promptness to pursue future agreements, in comparison to group n_1 .

FUTURE RESEARCH

In this research, we investigated the performances between charted and uncharted business negotiations. Future research is encouraged to assess the degree of satisfaction between those groups. Also, inferential statistics or linear regression studies could be applied to a larger sample to investigate the groups' performance and effectiveness. Finally, trust is encouraged to be investigated, as well as other countries, forms of negotiation, such as mediation, for instance, should also be subject to future studies.

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