

# [Negotiation reflective journal essay](https://assignbuster.com/negotiation-reflective-journal-essay/)

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## PART 1 - Observing and Reflecting Negotiation Simulations

It is important to know what negotiation is and how it works in order to succeed in this course and apply its principles to the professional world. The art of negotiation comes into play when two different sides want different things, and must figure out what things are actually going to be received by both parties. This can cause a great deal of anxiety, but when one is actually prepared, and can anticipate all possible alternatives, a fair negotiation is likely to be reached. When negotiating across cultures, there are many more factors to keep in mind, like the way each culture thinks and sets priorities, as well as what they think of foreigners that can bias them against or for you.

Over the course of this class, we made five negotiations from week 7 to week 11 – this journal will reflect on three of them. Two of them were face to face negotiations, where each team was in the same room, and the third was conducted over email. For our first negotiation in Week 7, the negotiation was about the selling of a car to a person from a foreign country. My group involved the selling of the car, and the other group was the party interested in buying it. Our target was to sell the car for $12, 500, or as close to that as we could.

In this negotiation, my group was very well prepared to handle the procedures involved. We made a declaration of the design of the car that would be attractive to potential buyers – one that would make purchasing the car a good deal. During the negotiation process, we were able to successfully get the buyer excited about the car’s features and agree that it was a good deal. Once we told them the price, however, the buyer informed us that they did not have that amount of money in cash. We were then able to make an arrangement wherein the cash they had was given to us right then, and the remainder of the amount was paid in installments of $500 every month for six months. The buyer was in agreement – the group was convinced of the features of the car, as well as its value. This deal with our group was one of the most successful transactions made between the other groups.

When dealing with people of different cultures, a plan of action was created by our group in order to facilitate the clearest communication possible. It included:

## The use of video conference to allow visual communication

Establishing a contact person who would facilitate communication at either end
Distributing key information before each meeting
Selecting unique rules and specializations
Dedicated note taker
Build a rapport by constructing a biography of the participants
Keep the communication light with an ice breaker
Use interpreters to make the language barrier smoother
Avoid interruptions by cell phone
Take a step by step approach to technology involved in negotiation process
All of these steps were utilized in order to smooth over tensions between cultures, and allow for decent communication (Brett, 2007).

## PART 2 - Team Final Negotiation Preparation

In order to prepare for the final negotiation, our group went through a significant number of steps. Our overall goal was to be as prepared as possible for the negotiation and come up with a strong strategy that addressed all the points that we needed (Spoelstra and Pienaar, 2000). We got an early start on the preparation, meeting several days ahead to discuss the negotiation and what we needed to do. Three meetings, each meeting taking up three hours, were held, in which we discussed strategy, analyzed the subject of discussion, learning more about its various aspects and attributes. The first day we read the case and analyzed it thoroughly; the second day, we distributed tasks among the group and determined the most important points, and the third day, we did a practice negotiation. We searched the Internet in order to learn more about the subject and each side of the argument, finding out what the other side wants and is primarily concerned with.

Preparing for the negotiation is the most crucial step; without a proper strategy, there is no way that you can relate to the other side and communicate your demands. It lays the foundation of a successful negotiation – there are several key objectives involved in preparing for negotiations, including our overall objective, the points at which we could compromise, and the alternative goals that we have in the event that the other group does not accept our original demands. What’s more, we also determined the reasons why they need to negotiate (their overall purpose), what resources they currently have. By analyzing these factors, we were able to understand the goal much better, and determine just what kind of challenges we would face during the negotiation.

When dealing with the Chinese, I made sure to research what they would look for in the negotiations: first and foremost, they are a collectivist culture, meaning they would place value in things being conducted for the greater good (Gelfand and Christakopolou, 1999). They are very connected to obligation, allowing us to use issues of trust and cooperation to help get the points we wanted (Gelfand and Brett, p. 252).

## PART 3 - Negotiation Plan for Final Group Negotiation

In the Final Group Negotiation, we were an Australian mining company that negotiated a joint venture with a Chinese company that wishes to use our mining technology to be used in new larger mines. In our group, we divided ourselves into five different individuals representing the company – the Group Director, Assistant Director, Human Resources Manager, Information Technology Manager and Financial Manager. For this negotiation, I was the Financial manager, representing the concerns regarding profit satisfaction and maintaining the partnership with the Chinese company, all while making sure we achieved our goals.

During our meetings, we performed proper division of labor, denoting the points that were available to us in the joint venture, studying them thoroughly in order to get our profit. These points included closing the mines and reducing the workforce; training Chinese engineers in our technology; developing the railway; and splitting the profit between us and the Chinese company. In order to get as much as we wanted out of these points, it was necessary to come up with convincing reasons to the other side of the negotiation to acquiesce to our points. These points included the fact that we were an Australian company, making the costs much higher to train the Chinese engineers, and the fact that our profits link at the currency. The greater our profits, the more their profits would also increase, making it more advantageous to work with us.

Our overall strategy was to capitulate somewhat on our smaller points in order to get the biggest point value, which was in the profit share. We wished to settle on a 60/40 profit share, and to make sure that we would not give in too much on the other points (closing of the mines, training of engineers, etc.). We were to emphasize just how badly the Chinese company needed us to provide safe mining techniques to their mines, or else the Chinese government would be dissatisfied with them, and possibly lose their contract. This would make it necessary to work with us however possible. We stressed the amount of work that we put into developing the mining technology, making it sensible for us to get a bigger piece of the pie, as we had done more of the work. All of these things would appeal to them from an emotional and a business sense.

## PART 4 - Critical Reflection – Final Group Negotiation

During the negotiation with the Chinese mining company, we started negotiating with the members of the defined groups after providing a simple overview of our company and what we do. The human resources representatives from either side began their negotiation, and we worked through each stage one by one. Luckily, the Chinese were very impressed with our offering of a gift, and they presented a gift in turn; it was clear that we had shared negotiation strategies to work with despite the different cultures (Adair and Brett, 2005).

As the financial side of the negotiation was of vital importance to me, being the financial manager, my goal was to gain the highest percentage of profits in the profit share axis of negotiation, while making sure we paid as little as possible to help the Chinese company upgrade the railway. Despite our preparedness, the Chinese company was rather inflexible, and it was a difficult negotiation to deal with. They took up a great deal of time discussing profits and attempting to gain a higher percentage of the profit share, but they did not give a convincing rationale for their request.

At the end of the debate, they even gave us a choice of three offers that were not discussed with us at all. Eventually, we chose to close 30 mines and reduce 2000 jobs; to train 100 engineers in the safe mining technology; to donate 10 million AUD to the upgrading of the railway, and split the profits 60/40 with the Chinese mining company. Once the discussion was over, they were so incensed at the way negotiations had gone that they had asked us to give them back the gift they had given us at the beginning of the negotiation. This was indicative of a lack of respect to us and our group, as well as the negotiation process as a whole (Selacuse, 2004; Sun, 2009).

## Conclusion

In this course, I have learned a great deal about negotiating – first and foremost, that patience is a vital factor in the success of a deal. Learning the ins and outs of what the other side wants and needs from their side of the negotiation is vital, as well as how to get them to realize that what we want is also what they want. The joint gains in negotiation are absolutely vital to a settlement; this can be very difficult when two cultures have different ideas of what constitutes a gain (Adair and Brett, 2005). These strategies and experiences will prepare me greatly for any negotiating practices I may have to implement in the future, and has taught me the importance of finding a middle ground in any attribute of negotiation or communication with a different culture.

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