

Essay on negotiation reflective portfolio

[Business](#), [Company](#)



PART 1 REFLECTION ON NEGOTIATION PRACTICE

When two parties must communicate with each other in order to find a mutually beneficial solution to a problem or arrangement, negotiation must take place. Negotiation is an extremely dicey proposition which typically involves two people with differing interests who must work to come to an amicable compromise. Negotiation involves the formation of a strategy and its implementation using various communication methods to get your point across, and convince the other party that they should acquiesce to your demands (Reardon, 2004). There are many factors that set groups of people apart and can help or hinder communication; culture is one of them.

Different countries and cultures have different moral codes, ethical systems and rules that can conflict with yours; as a result, effective communication on common ground is necessary in order to make points that are relatable to both parties.

For the first negotiation, my group represented a local Australian who entered negotiations with a foreign customer who wanted to purchase a used Holden Commodore 2003. The negotiation took around half an hour, and was conducted face to face. Because it was our first negotiation, the group was nervous and very much unsure of what to do; this could have made us appear weak in any other context, but the customer was extremely cooperative and very excited to purchase the car. As a result, the negotiation process was not difficult at all, despite our extreme nervousness. There was no instance of intergroup paranoia, wherein the other party believed they were being harmed through the treatment of the other group - relations were amicable throughout (Gelfand and Brett, p. 213).

The cultural differences between our sales team and the foreign customer were great, but not insurmountable. Negotiations were helped greatly by the fact that both of us wanted the car sold to the customer, and so there was merely some nervousness as to how to proceed. We eventually came to a very satisfactory result for both parties. Our target price was \$12, 500, but we ended up selling it to them for \$11, 500. We achieved our goal of providing them with an eight month registration, and 1 year of insurance, an outcome that pleased everyone involved.

As for the second negotiation, our goal was to represent Him and Her Australia, a clothing company, in their negotiations with the Chinese Beijing Fashion Manufacturing company about a new contract extending their services for us. Unlike the other negotiations in the group, this one took place over e-mail, which turned out to be an absolutely terrible method of negotiation. The reason for this was that negotiations were difficult to perform over such a distant medium, with the first point on our agenda (production quotas) taking 40 minutes to get a response from Beijing. We were given an hour and a half to perform these negotiations, and there was not enough time to handle all of the negotiation points. By far, it was the worst negotiation we had done over the course of the unit.

In the third negotiation, we were far more successful - it involved the negotiation between Best Books, a publishing company, and Paige Turner, a bestselling author, for rights to market and sell her book. Due to the fact it was our fourth negotiation, we as a group had found a greater level of confidence; we were more experienced and had a better idea of what each member had to offer to the group effort. Our plan of attack was also much

clearer; however, the group that we negotiated with was from China, and due to the cultural differences it was slightly more difficult to negotiate with them. For one, the language barrier was a problem, and they were much more reticent to concede on certain points.

My role in this negotiation was to welcome the Turner group and introduce the company to them. I also coordinated negotiations between group members. Despite the cultural barriers, we were able to negotiate a successful contract with the author in approximately 45 minutes of this face-to-face meeting. We were able to get many different concessions from the author, including selling the book in 14 countries and going on a 25-week book promotion tour with the author. We were also allowed to get three book clubs to adopt the book, which would get five print runs. This was in exchange for paying her 10% royalties, a \$15,000 signing bonus, and a \$15,000 advance. This was done through strategic use of persuasion, providing emotional appeals to make the recipient change their mind (Reardon, p. 98).

PART 2 REFLECTION ON TEAM WORK

The team work that went into the negotiation group, in general, evolved greatly from our first meeting. When we conducted our first group meeting, I considered it to be extremely ineffective, because no one recorded or kept track of time; also, a lot of time was wasted listening to everyone's ideas, some of which were overly complicated. These different ideas came from expression of the cultural diversities that we all shared, all five of us being from Saudi Arabia. Because we were all from the same relative culture, it was easy for us to communicate with each other, meeting for two hours apiece three to four times a week. However, as the weeks went by, and we

learned more and more about the negotiation process, we became more accustomed to each other and how to interact in a negotiation environment.

In terms of group behavior, all members attended all meetings, and were all punctual in their attendance. Our behavior was extremely professional, and each member worked hard to contribute to the group as a whole. Work interdependence was high, as multiple parties worked with each other in order to achieve the needed results and strategies (Spoelstra and Pienaar, p. 189). One of the members was highly active in terms of creating ideas and developing them in the form of strategies; thus various ideas emerged as we kept on moving ahead with negotiations every week. This prevented members from participating in unmitigated communion and making too many concessions in the negotiations, thus minimizing relational anxiety between group members.

Overall, I am very satisfied with the interaction and the work performed by the group as a whole; by finding common ground and working together as a unit, successful outcomes were had in most negotiation examples.

PART 3 INDIVIDUAL NEGOTIATION PLAN

Before the final negotiation, there are a few things that have to be determined. First, we must figure out exactly what points Datong is not willing to budge on in the least, and focus the least on them. If they absolutely need 100 engineers, then it must come at the cost of either the railway or the workforce. If possible, get them to agree to the maximum we want (either no money invested or 40 mines closed), but for the most part give them the second highest point value, as it will seem a measure of good

faith, and we will appear generous. The Chinese as a culture are particularly averse to risk, and so great preparation and care is required in order to deal with them (Sun, 2009).

Our biggest priority is to maintain the 60/40 profit share, as that represents the biggest point increase. It must not be relented upon, even if it means capitulating even slightly more on any of the other points. With luck and reiteration of incentives for Fernet Brio to have a higher financial investment, stressing the money already poured into the safe mining technology, only one of the smaller points will need to be capitulated upon. Make it seem as though the offers we are providing for the railway/engineers/mines are generous compared to what we have already spent on the technology; if Datong gives you leeway on any of these points without asking for more, take it.

PART 4 REFLECTION ON FINAL NEGOTIATION SIMULATION

The last negotiation took place in the final week of the trimester, which had the highest grade allocation, making it very challenging and important for both the teams to show their best efforts to win. As said before, we had a strategic plan in place which assigned responsibilities and authorities, so that preparation and the final process could be smooth. The roles mainly dealt with identifying the group members in the fields of finance, strategic view, technique and human resources. The role assigned to me was to welcome the representatives of the other company, give a brief about the company, and also support and assist members of our group during the negotiation and record the results of negotiation and edits of the contract. As both the

teams were well prepared from their past experiences, it would be best to have a win-win negotiation result instead of win-lose whereby one of the team gets dissatisfied.

Before the negotiation started, I provided a presentation about our company, then the two groups, introducing their respective group members, along with presenting the handouts from our team. According to agenda about points for discussion and agreement, the first point was the splitting of profit, which was to be shared between us and other company, our group receiving 60% and their group receiving 40%. Improvement of the existing railway system was next, and we agreed to pay, as per the terms of the agreement with the Chinese federal government. We stated that we will contribute \$15 million AUD to finance the upgrade of the existing coal railway, which would facilitate faster transportation of coal from the mines. This pleased the Chinese representatives, as it appealed to the cultural dimensions that are common to their culture, including a need for decisiveness and to experience direct benefits from the other party (Vachin and Lituchy, 2006).

The concluding result from the lengthy discussion that took place revealed that both teams agreed on a fixed term, but the victory was ours due to the intense and strong strategic planning performed by our group. Towards the end of the negotiation, we decided to close down 25 mines, thereby reducing 1000 jobs; as for the training of engineers, we agreed to train 100 engineers and provide 50 Australian engineers to work on this project. We are happy with the results, because we got our biggest concession, which was the 60% profit share.

The negotiation overall went pretty well, except for the fact that the

opponent team took a long time in making their choices regarding the options. This was a very nonconfrontational style of communication that made it slightly more difficult to get across our points, but is a delaying tactic often found in negotiations, especially on an Asian culture (such as the Chinese) that relies on indirect communication (Salacuse, 2004).

CONCLUSION

Over the course of the trimester, there were many different negotiating skills I gleaned, particularly as they relate to culture. The experience of working with foreign customers or companies was made clear to me through the different styles of communicating that they used, as well as their differing values and the requirements they expected from us. It was often a difficult process, dealing with an incredible number of pitfalls along the way, but in the end we managed successful negotiations with most of these companies (with the exception of the e-mail negotiation). The interactions with my team taught me the importance of punctuality, as well as focus and delegation of tasks. I picked up a great many things about the art of negotiation that I hope to carry over into my career aspirations in the corporate world; as I would like to have the chance to work with different cultures, learning how they negotiate and ways to navigate that would be very helpful to me.

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