

WHAT TRIGGERS A NEGOTIATION – AN ECONOMIC OR A SOCIAL GOAL?

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Abstract

Negotiation is a resource that, used correctly, can make the difference between success and failure and, at the same time, it is present in all activity fields, from economic to social or environmental. Therefore, the importance of the understanding of the negotiation process is paramount for all those interested in improving their own negotiation skills or in training others to do so. The present paper is focused on the beginning of the negotiation process: the objectives of the research were to assess the level of the propensity to negotiate and of the perceived right to negotiate and to observe if they are stimulated by the nature of negotiation goal – economic and self-advocacy, on one hand, and social and other-advocacy, on the other hand. Results indicated high levels for propensity to negotiate and right to negotiate in the social goal case and low levels for the economic goal. The nature of the objective influenced both the propensity to negotiate and the perceived right to negotiate, favoring the social, other-advocacy, goal: people believed there were higher chances that they would start a negotiation targeted towards a social goal compared to one that was economically and self-advocacy oriented; they also felt more in title to negotiate when they pursued a social, other-advocacy, objective ($p < 0.05$). Gender had no influence on studied variables ($p > 0.05$).

Key words: *economic; other-advocacy; propensity to negotiate; right to negotiate; self-advocacy; social.*

JEL Classification: *D12, F51, M39*

I. INTRODUCTION

Negotiation is one of the human interactions very much studied due to its interference with all aspects of social life (from personal to professional) and its impact on people's survival, wellbeing, and progress. The facts that negotiators' behavior vary extensively from one person to another and that the factors that stimulate or hinder a negotiation are complex and divers increase even more the efforts of understanding what is going on in negotiator's "black box" and how can one improve his/her own performance. Thus, the types of general interpersonal orientations mentioned by Van Lange et al (2007) are valid for negotiation, too, and must be given proper attention: pro-social (cooperation, equality, and altruism), pro-self (individualism and competition), and anti-social (aggression) orientation. It was observed that the selection of one or another is influenced by variables such as self-interest, social relationships, and the interaction between cultural norms and situational needs (Welsh, 2004). Values shape negotiator's behavior, and some of the most important are the subjective ones, studied by Curhan et al (2006), and should be taken under consideration in a negotiation context: feelings about instrumental outcomes (outcome satisfaction and distributional fairness), feelings about the self (saving face and living up to one's own standards), feelings about the negotiation process (fairness and voice), and feelings about the relationship (trust and a good foundation for the future). Dreu et al (2000) highlighted that the negotiation goal can also have an impact of negotiators' behavior: negotiators were less contentious, deeper engaged in problem solving, and achieved higher joint outcomes when they had a pro-social rather than egoistic motive. Similarly, other studies concluded that the pro-social motivation (understood as preference for a particular distribution of outcomes between oneself and the counterpart) could promote the joint gain of unequal power negotiating dyads (Wei, Luo, 2012). The role of relational self-construals (the view of the self as fundamentally connected to other individuals) was described in detail by Gelfand et al (2007) in negotiations context. In the case of group negotiations, the variables with high influential power were found to be structural (arrangement of negotiators' values and preferences), procedural (rules that determine negotiation course of action), and motivational (emotions, incentives or other impulses that stimulate negotiators to follow a certain course of action) variables (Beersma, De Dreu, 2002).

Another important variable in negotiations is advocacy – the act of supporting an idea, need, person, or group, which is intertwined with individuals' conviction, self-confidence, and transformational skills (London, 2010). The altruistic behavior, fighting for a better world, for others' needs, along with our respect for nature, translated in its real appreciation and protection, is the essence of the good in people. The incorporation of such principles in thought and practice, with the ideal of becoming the corner stone of the everyday-life – personal,

professional, in values and actions – is pursued, especially in the last decades, by economic or political doctrines, orientation of practical fields, development models etc.; we can briefly mention human marketing – one that is guided by humanist principles, pursuing and achieving the good for people (Nedelea and Nedelea, 2016), economics of happiness (Guazzelli and Zilli, 2016), or sustainable development, which grants equal importance to economic development, social equity and environment protection (United Nations, 1987). The study of the negotiation behavior in relation to altruistic objectives is a small contribution of the author, born from the endorsement of the aforementioned values. Advocacy or the representation role – whether bargaining on one’s own behalf versus on another’s behalf – was found to have significant influence on (female) negotiators behavior (Amanatullah, Morris, 2010).

Moreover, negotiation is a resource sometimes disregarded in social or environment related topics, which, managed properly, can bring superior results (on long term and at the level of all stakeholders) compared to other approaches, such as just planning or decision-making (Leeuwis, 2000).

The first two conditions and steps towards a good negotiation are the recognition of the negotiation opportunity and the decision to involve in it. However, studies focused more often on strategies and tactics and less on propensity to negotiate, on what determines who initiates competitive interactions and who negotiates rather than simply accepting the deals they encounter (Magee et al, 2007).

Among this complex array of variables of interest for negotiation, the following were selected for the present research: propensity to negotiate, perceived rightfulness to negotiate a particular subject, type of goal (or context) – economic and self-advocacy or social and other-advocacy, and gender. They were chosen based on their usefulness and relevancy for those interested in understanding negotiation behavior and capacity to bring new information, features suggested by a focus groups results, developed prior to the implementation of this research, when participants were requested to rate the importance they assigned to various negotiation aspects. The study of the influence of goal and advocacy context on Romanians’ propensity and rightfulness to negotiate was not investigated until now, and thus represents an original contribution of the paper.

Consequently, the objectives of the research were:

- i) To determine the perceived propensity to negotiate and the perceived right to negotiate in two contexts (pursuing two types of objectives):
 - economic and self-advocacy – self-oriented, pursuing a personal, financial gain, and
 - social and other-advocacy – altruistic, pursuing (without any personal economic benefits) a non-economic benefit of others, a third party, not involved in the negotiation;
- ii) To observe if the propensity to negotiate and the perceived rightfulness to negotiate are correlated to each other;
- iii) To see if a contextual variable – the nature of the context/ negotiation outcome – and a demographic variable – gender – have an influence on the propensity and the rightfulness to negotiate.

II. RESEARCH METHODOLOGY

As mentioned, this study focused on: propensity to negotiate, perceived rightfulness to negotiate a particular subject, type of goal, and gender. The economic scenario referred to a situation from which subjects could obtain a low-moderate monetary gain for themselves through negotiation and which was perceived not as a traditional negotiation situation (like the bazaar), nor as non-negotiable, but somewhere in between. The selection of the scenarios was made using the results of two focus groups of fourteen participants each, which tested how different scenarios were perceived in terms of importance of gain level, need intensity, and negotiability level (being suitable for negotiation) of the negotiation subject. The first scenario was about negotiating the price of a device for water potabilization module for their summer house from a small company that would make a personalized module for them. The social scenario imagined a situation when people would fight for the benefit of a third person, in-need at a moderate level. They were supposed to buy a certain number of potabilization devices for people living in peripheral areas, where they had access to a polluted drinking water supply; tested people had a lower amount of money compared to the one needed to buy a sufficient number of potabilization devices. Each selected scenario was presented to the subjects under the form of a short story, in which they played a part, and a list with closed-ended questions was asked in relation to the scenarios. The questionnaire was applied to a convenience sample of 200 persons, mostly from Romanian urban areas, with 39% of participants being women and 61% men.

The research questions were:

- a.1. Which is the perceived propensity to negotiate in the case of an economic goal and self-advocacy context?
- a.2. Which is the perceived propensity to negotiate in the case of a social, other-advocacy, goal?
- b.1. Which are the perception on the rightfulness to negotiate when people pursuit an economic, self-advocacy, goal?

- b.2. Which are the perception on the rightfulness to negotiate when people pursuit a social, other-advocacy, goal?
 - c.1. Is there a correlation between the propensity to negotiate and the rightfulness to negotiate in case of an economic, self-advocacy, goal?
 - c.2. Is there a correlation between the propensity to negotiate and the rightfulness to negotiate in case of a social, other-advocacy, goal?
 - d.1. Is the perceived propensity to negotiate influenced by the type of goal?
 - d.2. Is the perception on the rightfulness to negotiate influenced by the type of goal?
 - e.1. Is the perceived propensity to negotiate influenced by gender?
 - e.2. Is the perception on the rightfulness to negotiate influenced by gender?

Data analysis was carried out in Excel and SPSS version 21. Mann-Whitney U test was used to compare differences regarding an ordinal variable between two groups. Wilcoxon test was applied to evaluate differences between two measures of the same group. The relationship between two ordinal variables was investigated using Spearman’s Rank Order Correlation. The level of statistical significance was set at $p < 0.05$.

III. RESULTS AND DISCUSSIONS

The start of a negotiation can make the difference between progress and stagnation (or decline) at personal and team level and, therefore, knowing the propensity to negotiate of an individual or group of people may increase success chances, as it can offer clues about what to do to improve their performance. Romanians tested in the present study showed a low propensity to negotiate for a personal economic gain, but a high one for a social goal, proving they were motivated to a higher degree by altruistic motivation than by a non-altruistic one (Table I). At the same time, and in line with this attitude, they felt more in title to negotiate when they pursued a social objective, when they advocated for others, compared to the self-advocacy (Table 1), casting light on a value they shared: social benefits are more legitimate than the economic personal ones, at least when they have a low-to moderate importance. Similarly, other studies found that women achieved better results in other-advocacy context compared to self-advocacy, due to gender role incongruity (Amanatullah, Tinsley, 2013, Bowels et al, 2005).

Table I. Average value for the (A) perceived propensity to negotiate in an economic scenario and (B) in a social scenario, (C) perceived rightfulness to negotiate in an economic scenario and (D) in a social one

		(A) StartProbabilityEcon omic	(B) RighttoNegotiateEco nomic	(C) StartProbabilitySo cial	(D) RighttoNegotiateS ocial
N	Valid	200	200	200	200
	Missing	0	0	0	0
Mean		1.5150	1.7700	3.6650	3.5900
Std. Deviation		.80811	.90620	1.19158	1.19962

(Source: authors’ calculations)

Spearman correlation test showed strong, positive correlation between propensity to negotiate and perceived right to negotiate in both situations: economic [$r=0.577$, $n=200$, $p < 0.05$] and social [$r=0.667$, $n=200$, $p < 0.05$] (Table II), meaning that more they believe they are entitled to negotiate, better the chance to initiate a negotiation is.

Table II. Spearman Spearman’s Rank Order Correlation results for the strength and direction of the linear relationship between propensity to negotiate and perceived rightfulness to negotiate (in the case of an economic goal and of a social goal)

			StartProbabilityEconomic	RighttoNegotiateEconomic	StartProbabilitySocial	RighttoNegotiateSocial
Spearman's rho	StartProbabilityEconomic	Correlation Coefficient	1.000	.575**	-.060	-.003
		Sig. (2-tailed)	.	.000	.398	.967
		N	200	200	200	200
	RighttoNegotiateEconomic	Correlation Coefficient	.575**	1.000	-.034	-.022
		Sig. (2-tailed)	.000	.	.634	.755
		N	200	200	200	200
	StartProbabilitySocial	Correlation Coefficient	-.060	-.034	1.000	.667**
		Sig. (2-tailed)	.398	.634	.	.000
		N	200	200	200	200
	RighttoNegotiateSocial	Correlation Coefficient	-.003	-.022	.667**	1.000
		Sig. (2-tailed)	.967	.755	.000	.
		N	200	200	200	200

** . Correlation is significant at the 0.01 level (2-tailed).
(Source: authors’ calculations)

The nature of the objective influenced the propensity to negotiate ($Z=-11.275$, $p=0.000$; Table III): people believed there were higher chances that they would start a negotiation targeted towards a social goal compared to one that was economically oriented, displaying, thus, an altruistic behavior. The same attitude was observed in the case of the perceived right to negotiate, as subjects felt more in title to negotiate when they pursued a social objective ($Z=-10.697$, $p=0.000$; Table IV).

Table III. Wilcoxon Signed Ranks Test results for differences between propensity to negotiate for a business goal and for a social goal

Ranks				Test Statistics ^a		
	N	Mean Rank	Sum of Ranks		StartProbabilitySocial – StartProbabilityEconomic	
StartProbabilitySocial - StartProbabilityEconomic	Negative Ranks	11 ^a	29.14	320.50	Z	-11.275 ^b
	Positive Ranks	169 ^b	94.49	15969.50	Asymp. Sig. (2-tailed)	.000
	Ties	20 ^c				
	Total	200				

a. RighttoNegotiateSocial < RighttoNegotiateEconomic
b. RighttoNegotiateSocial > RighttoNegotiateEconomic
c. RighttoNegotiateSocial = RighttoNegotiateEconomic
(Source: authors’ calculations)

a. Wilcoxon Signed Ranks Test
b. Based on negative ranks.

Table 4. Wilcoxon Signed Ranks Test results for differences between perceived rightfulness to negotiate for a business goal and for a social goal

Ranks				Test Statistics ^a	
		N	Mean Rank	Sum of Ranks	RighttoNegotiateSocial - RighttoNegotiateEconomic
RighttoNegotiateSocial - RighttoNegotiateEconomic	Negative Ranks	10 ^a	45.20	452.00	Z
	Positive Ranks	160 ^b	88.02	14083.00	Asymp. Sig. (2-tailed)
	Ties	30 ^c			
	Total	200			
					-10.697 ^b .000

a. RighttoNegotiateSocial < RighttoNegotiateEconomic
 b. RighttoNegotiateSocial > RighttoNegotiateEconomic
 c. RighttoNegotiateSocial = RighttoNegotiateEconomic
 (Source: authors' calculations)

a. Wilcoxon Signed Ranks Test
 b. Based on negative ranks.

Gender had no statistically significant influence on studied variables ($p > 0.05$; Table V). Similar results regarding the propensity to negotiate were obtained in a study focused on environmental and social goals (Petrescu, Petrescu-Mag, 2016), but other studies, developed on people belonging to other cultures, found out the contrary – differences between propensity to negotiate of men and women, with women initiating negotiations less frequent than men (Small et al, 2007, Bowles et al, 2007).

Table 5. Mann-Whitney U test results for differences according to gender related to propensity to negotiate and perceived rightfulness to negotiate for an economic goal and for a social goal

	Test Statistics ^a			
	StartProbability Economic	RighttoNegotiateEconomic	StartProbability Social	RighttoNegotiateSocial
Mann-Whitney U	4572.500	4358.500	4152.000	4204.000
Wilcoxon W	12075.500	11861.500	7233.000	7285.000
Z	-.547	-1.085	-1.574	-1.434
Asymp. Sig. (2-tailed)	.585	.278	.116	.152

a. Grouping Variable: Gender
 (Source: authors' calculations)

IV. CONCLUSION

Negotiation is a resource that, used correctly, can make the difference between success and failure and, therefore, the importance of the understanding of the negotiation process is paramount for all those interested in improving their own negotiation skills or in training others to do so. To answer this need, the present research focused on two variables – perceived propensity to negotiation and rightfulness to negotiation – in two contexts: economic (self-interested, based on self-advocacy) and social (altruistic, implemented through other-advocacy) oriented.

For a synthetic and practical use of the results, they are briefly described in Table VI.

Table VI. Answers to the research questions

Research question	Answer
a.1. Which is the perceived propensity to negotiate in the case of an economic goal, in a self-advocacy context?	Low: mean value =1.5
a.2. Which is the perceived propensity to negotiate in the case of a social goal, in an other-advocacy context?	High: mean value =3.7
b.1. Which are the perception on the rightfulness to negotiate when people pursuit an economic goal, in a self-advocacy context?	Low: mean value =1.8
b.2. Which are the perception on the rightfulness to negotiate when people pursuit a social goal, in another-advocacy context?	High: mean value =3.6
c.1. Is there a correlation between the propensity to negotiate and the rightfulness to negotiate in case of an economic goal?	Yes: strong positive
c.2. Is there a correlation between the propensity to negotiate and the rightfulness to negotiate in case of a social goal, in an other-advocacy context?	Yes: strong positive
d.1. Is the perceived propensity to negotiate influenced by the type of goal and context?	Yes: stronger propensity in the case of a social goal, other-advocacy context
d.2. Is the perception on the rightfulness to negotiate influenced by the type of goal and context?	Yes: stronger right in the case of a social goal, other-advocacy context
e.1. Is the perceived propensity to negotiate influenced by gender?	No
e.2. Is the perception on the rightfulness to negotiate influenced by gender?	No

Research results cast light on an altruistic group of people, which are more inclined to start a negotiation when they follow a social goal, in an other-advocacy context, compared to a personal economic one, and which have stronger beliefs they have the right to negotiate when they follow the social goal.

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