

Negotiation And Relationship

Independent Study Project by
Simone Viganò MBA 16J

Faculty Advisor: Horacio Falcão,
Senior Affiliate Professor of
Decision Sciences

INSEAD

The Business School
for the World®

Negotiations And Long Term Relationships

My Question

A successful negotiation requires the negotiations on communication, relationship and substance to be developed in parallel. When long term relationship is the most important value at stake - such as with partners, family, relatives, friends, colleagues, business partners as well as a team – more effort and discipline is required to keep the three negotiations aligned. Which are the techniques to use in this scenario for a successful negotiation?

I got interested about this topic after attending the Negotiation course entertained by Horacio Falcao during my MBA at INSEAD. I understood how negotiation is pervasive in our day to day life and that most of our interactions with people around us are actually negotiations. For this reason, it is important to entertain good negotiations not only in our professional life, but also with the close relationships that we cultivate every day. In addition, negotiation and relationship building are tight together and they influence each other: it is not trivial to have successful negotiations with the people we love and respect.

Having experienced the difficulties of negotiating in my day to day life with my partner and my family, I decided to dedicate time and effort in studying the impact of long term relationship on negotiations and, hopefully, have a better life together with the people I love.

This paper will be divided in the following chapters:

- Acknowledgment
- Introduction to Value Negotiation: what is negotiation and win-lose vs win-win approach.
- Building Relationship as we Negotiate: six basic elements
- Negotiation and Relationship: what is different with a pre-existing relationship
- How to protect the Relationship and Negotiate: a framework for the six elements
- What I learned

Acknowledgment

In order to research Relationship and Negotiations I studied the book “Value Negotiation – How To Finally Get The Win-Win Right” by Horacio Falcao, and the book “Getting Together – Building Relationships As We Negotiate” by Roger Fisher and Scott Brown.

“Value Negotiation” examines the complicated world of negotiation and provides a simple and practical approach to help negotiators learn how to consistently deliver the most possible value at the lowest possible risk in the widest range of situations. It provided the base for the understanding of the topic as well as the definition of negotiation, win-lose approach and win-win approach, which are used in the paper.

“Getting Together” explain step-by-step how initiate, negotiate, and sustain enduring relationships in business, in government, between friends, and in the family. It provided the “Unconditionally Constructive Strategy” and the “Six Basic Elements for a Working Relationship” which are the bases for the solution of dealing with relationship while negotiate.

To deepen the understanding of the dynamics of a negotiation which involve pre-existing relationship among the counterparts I studied the articles “Relationships, Goal Incompatibility, and Communal Orientation in Negotiation” by Leigh Thompson and Terri DeHarpport, “Emotion and The Art of Negotiation” by Alison Wood Brooks, “Your Good Name: The Relationship Between Perceived Reputational Risk and Acceptability of Negotiation Tactics” by Li Ma and Judi McLean Parks.

Thompson’s and DeHarpport’s article was particularly useful to understand the impact of a long term pre-existing relationship to the outcome of the negotiation in different scenario. They examine the interplay among three elements: the relationship that the negotiators share, the perceived compatibility of their goals, and their orientation toward sharing resources (their communal orientation). As it will be explained below, they conclude that the impact of relationships on negotiation performance and judgment depends upon perceived goal incompatibility as well as participants' implicit attitudes toward relationships.

The finding from “Value Negotiation”, “Getting Together” and Thompson’s and DeHarpport’s article are the main building blocks and they will help in creating a framework on how to deal with negotiation with long term relationship.

Introduction to Value Negotiation: Definition of Negotiation, Win-Lose and Win-Win Approaches

AS defined by Horacio Falcao in “Value Negotiation”, negotiation is a process that happens whenever a person tries to get another to do or not to do something for him or her. Under this broad definition many activities can be labeled as negotiation: from giving a gift to get money from somebody, from influencing a decision to be seen as trustworthy, from sales – a process in which somebody tries to get another to buy its product - to marketing – one-to-many negotiation when a company tries to get several people to believe in its brand. Even war could be seen as a negotiation, where each side tries to get the other to accept their views and demands.

Win-lose, the prevalent approach

Win-lose or bargaining is the prevalent approach worldwide today. It is the most primitive approach to negotiation and evolved directly from fighting. A **win-lose approach happens when one party attempts to get what they want in a negotiation by demonstrating or using power over the other**. In this approach power is the most important resource to win in the negotiation so it can work well for the most powerful party in the negotiation in two circumstances: in case of big power difference, when one of the party is clearly much more powerful in the eyes of the other which then prefer to yield than to challenge the power status; and, secondly, in case of short term concern, when the most powerful party don't care about the longer-term relationship, but only of getting what it wants immediately.

Even if the most powerful party can easily overcome the other and not be concerned about the relationship, the win-lose approach does not come without risks. In fact, when power is applied the most common reaction is resistance, the others parties will try to avoid losing by resisting and it will generate high risks which may cause both negotiators to win less than they could. As follow there are some example of risks. Lose certainty, power is a relative concept, it comes in many forms and could change over time. Lose focus, negotiators in many cases shift their focus from “winning” to competing with the other or “not losing” leading often to a lose-less/lose-more outcome. Lose value, resistance forces us to invest more resources to overcome it and so to incur into more costs than planned. Lose future value, the use of power could result in resistance not only in the current negotiation but also in future negotiations. Lose tomorrow, overpowering the counterpart we set a pattern in which the counterpart could return stronger and overpower us in the future. Lose our ethic, if resistance becomes desperate the parties could end up using unethical measures, such as lying or manipulating. Lose control, once the most powerful party is recognized the outcome of the negotiation is defined, without control on the process. Lose peace of mind, only few enjoy the win-lose combative approach, many find it difficult and filled with fear and anxiety.

Win-win approach: making resistance unnecessary

Win-win is a more evolved way to approach negotiations, which fosters collaboration to deliver more value even among competitors. **The win-win approach happens when at least one party tries to get what he or she wants with the other party's consent and without the need to use or display power**. The secret of win-win lies in making resistance unnecessary, so the risk of win-lose disappear. The main tool for a win-win approach is communication, not power and in particular communicating along the entire negotiation that there is no need to have winner and loser, so the counterpart do not need to fear or resist and power become irrelevant.

Getting Together - Building Relationship as we Negotiate: six basic elements

In this chapter we will introduce the content of “Getting Together” with particular focus on the six elements that build and protect a relationship while negotiating.

Similar to negotiations, also relationships are all around us. We all have relationships that are important to us, professional as well as personal. Some of them work better than the others and we tend to accept the quality of the relationship as inevitable.

The assumption of the book “Getting Together” of Roger Fisher and Scott Brown is that, although it takes two to have a relationship, it takes only one to change its quality. Just as we react to others, they will react to us. By changing our behavior, we will change the way they react so each one of us can improve the way we deal with others.

The authors propose an approach that allows to **pursue a good relationship that deal well with differences while we negotiate**. And in order to achieve this goal they suggest a two-step solution: first disentangle relationship with substance, second be unconditionally constructive.

Step one: Disentangle Relationship with Substance

In every situation we have two kind of concerns: the way we handle the situation – the process - and the results – the substance. Process and substance are distinct but related: one affect the other.

Similarly, when we think about a relationship, we are likely to think about it in terms of results – substance -, such as the profitability, a returning customer, a client who pays bill promptly or a union that doesn’t strike. We fail to think about the pattern of our interaction – process - and how it might be improved. If we think separately about how to establish and maintain a good relationship, we can deal more easily with matter of substance. For this reason, the first step is to disentangle the process of building and maintaining relationship from the substance of the negotiation.

Step two: An Unconditionally Constructive Strategy

Once disentangled the relationship with the substance, we can focus on an approach that can help to build and maintain the relationship while dealing with the substance, and the approach suggested by “Getting Together” is the Unconditionally Constructive Strategy or Behavior.

The approach proposed provides guidelines that can be followed by an individual in a negotiation and that are good both for the relationship and for the individual’s substantive interests in a negotiation, whether or not the counterpart follows the same guidelines. In addition, since both the individuals involved will be better off if they approach the relationship constructively, these guidelines have to be good also for the counterpart.

This approach allows the negotiator to deal with two apparently conflicting goals: advance selfish interests that conflicts with the ones with the counterpart, and at the same time improve the joint ability to deal with conflicting interests.

The unconditionally constructive strategy relies on six basic elements: Rationality, Understanding, Communication, Reliability, Persuasion, Acceptance. We are going to describe these elements one by one in the following paragraphs.

Rationality: Balance Emotion with Reason

Emotions affect all our relationships and every problem has an emotional aspect. They are inevitable but they should not cause people in a negotiation to lose the ability to consider pros and cons of a range of options before making decisions.

Too much emotion can cloud judgment. We rarely think clearly when our emotions are running high and the more intense our emotion the more likely to overwhelm our reason. This is valid both for negative emotions – disappointment, anxiety, upset, anger, fear - and positive ones – love, enthusiasm, loyalty. In addition, strong emotions can affect the thinking of those with whom we are dealing creating reactions, and, when emotions in a relationship dominates we are likely to see a downward spiral of destructive behavior.

On the other hand, too little emotion impairs motivation and understanding. Emotions are the root of motivation; we would all rather do something because we enjoy it or feel challenged than because we “have to”. Similarly, our understanding of another person’s perceptions and interests will be inadequate unless it is empathic. If we don’t understand how others are feeling, our communication may suffer. Without appropriate emotions it might be impossible to solve important conflict.

How to balance emotion and reason

The authors suggest four steps to balance emotion and reason.

The first step is to develop awareness of emotions. Our body gives constantly signals that are expression of our emotions: with our body language - change in position, muscles, face expression and eyes – and our vocal tones we can actually communicate more than with words. The authors suggest to practice and training in observation of this signals and becoming aware of feelings.

The second step is: don’t react emotionally. Reaction to someone else emotions can happen before we have consciously decided what to do, anyway there are some techniques to buy time such as: taking a break and let the emotions cool down; count to ten, that means to think before acting; consult with a colleague or friend for an advice.

The third step is to acknowledge emotions. One way to deal with emotions that may be disrupting a relationship, is to make them explicit, to acknowledge them and talk about them. Talking about one’s anger or fear tends to demonstrate self-confidence and self-control.

The fourth step is to prepare for emotions before they arise. By anticipating possible feelings, we can improve the way we deal with them once they occur. Just as we prepare to handle substantive issues, we should prepare to handle emotional issues. In addition, since we often fail to anticipate troublesome emotional reactions in a negotiation, we should foster emotions that facilitate problem-solving. This could be achieved by recalling a time, place and circumstances in which our morale was high, when we were particularly optimistic, successful and committed – and mentally step back to that situation and recall the feelings we had.

Understanding: learn how they see things

Even if I take a rational look at the problem in my relationship with you, I may not be able to solve it because I may not fully understand it. We cannot solve differences without understanding them.

Misunderstanding contributes very commonly to ongoing problems and, in some cases, our understanding of a situation creates a problem in our heads that is not there in reality. Also in this case the authors give three main suggestions to cope with misunderstanding.

The first suggestion is to explore the counterpart's thinking by assuming a need to learn more about the others and by starting by understanding what they care about. In order to improve our ability to deal with differences, we should always assume that we do not understand enough and always explore for more: by acknowledging my ignorance, I open myself to learning and encourage you to do the same. In order to better understand the others, we should focus on what they care about, which translate in their interests (concern, needs, wants, hopes and fears), their perceptions (the way you see the problem we are dealing with) and their values (ranking the other interest in order of relative importance for them).

The second suggestion is to not be afraid to learn something new. In negotiations we are emotionally committed to our belief so we tend to avoid or ignore information that would contradict them. This is an obstacle to the understanding of the others. One way to avoid this blindness is to be open and confident, avoiding early commitment or positions that could compromise our ability to learn and adapt later on in the discussion.

The third suggestion is to use tools to break into the others' world. Even if we learn about our counterpart we are likely to consider their concerns in a different way as they do. This is because our point of view is different and depend from our history and our role in the specific situation. One way to tackle this is to learn more about the other story and background. In addition, we can reverse the role, and try to see the problem from their perspective. Another tool is the use of a third party, since in many case we could find difficult to put ourselves in the other person's shoes.

Communication: Always Consulting Before Deciding – and listen

To entertain a relationship, we need to communicate. Poor communication can lead to misunderstanding, unhelpful emotion, distrust and poor outcomes. The authors identify three barriers to effective communication, and three ways to strengthen the relationship with communication, that will be briefly described below.

Three Barriers to Effective Communication

Some of the reasons why communication can go awry are under our control and the authors describes the three following reasons that we can affect with modest effort and low risk: we assume there is no need to talk, we communicate in one direction, we send mixed messages.

The assumption that there is no need to talk is perhaps the most important explanation for failed communication. This lead to the creation of wrong assumption on what the other person is thinking about a certain issue, that cause bad decisions to be made.

Even when we do see the need to communicate, we often assume that it simply mean telling something to somebody, or one-way communication. For communication to be effective, it needs to be two ways: listening is essential. The consequence of one-way communication can be as bad as those of non-communication. By not listening we cut off the chance to learn things we don't know and discourage the other side from contributing to a solution.

Finally, to be effective, communication should be consistent. Inconsistency is particularly damaging to our ability to build a working relationship. Some people may succeed in ignoring one message or

another but most will find the conflict disturbing. Mixed messages are common in our communication for three reasons: mixed purposes, for example long term and short term; multiple audience, because we might tell things differently to different people; mixed emotions create confusion and it can happen when our emotions change with time or when emotions of the others are different than ours at the same time.

Three Ways to Strengthen the Relationship

To overcome the barriers to effective communication the authors suggest a strategy with three components: always consult before deciding, listen actively and plan the process.

If two people have an on-going relationship and they, or just one of the two individuals, would like to improve the ability to deal with differences, then they should consult each other before making decisions that could significantly affect the other side. The authors define it as the “Always Consult Before Deciding” approach, or ACBD. By consulting the other we promote two-way communication, we are more reliable, we avoid coercive fait accompli and we establish acceptance.

Sometimes in a relationship one of the two is talking too much and listening too little. Perhaps neither of the two is listening effectively. The authors identify three behaviors to encourage active listening. The first is to become aware of any listening problem and design controlling mechanism to create space for listening. Second, engage the speaker by asking questions that reflect genuine curiosity or stressing out points that were particularly surprising to us. Third, speak clearly in ways that promote listening by speaking in the first person and including instead of using the second person and excluding, by using short sentences and pause and by helping them to be active listener.

Finally, the authors suggest to plan carefully the communication to minimize mixed messages. That can be achieved by clarifying the purpose of the communication, use different level of privacy to minimize the problem of multiple audience and plan ahead possible troublesome questions to minimize emotional interference.

Reliability: Be Wholly Trustworthy, but Not Wholly Trusting

Trust is often seen as the single most important element out of a good relationship. A high level of trust may permit to accept your statement without question and rely on your promises. At the other extreme, high level of distrust creates problems and make them difficult to solve.

The authors focus on two main topics related to trust: our own reliability and our partner's reliability.

Dealing with our own reliability

In a relationship we tend to focus our attention to the other trustworthiness, but the only person over which we have a reasonable amount of control is ourselves. The first thing we should try to control is our predictability since being unpredictable we risk to be seen as not reliable. The second is our communication, because nuances in our language may be interpreted as a commitment and we are expected to hold on it. The third thing is to take promise seriously, which means both take less promises and keep even the less important ones. And as fourth thing, we should avoid deception, since, even if it could give us a short term gain, it undermines the possibility to build a long term relationship.

Dealing with their reliability

Even if there is less that we can do to make the other side reliable than we can do about ourselves, we may be able to affect conduct of other for the better. The first behavior suggested by the authors is that we should implement is to not overload trust, the greater the reliance on “pure trust” the greater the chance that it will be misplaced. The second behavior is to trust the other side when they deserve it, because if trusted less than deserved it is more likely that they become less trustworthy. The third is to reward trust by giving positive feedback, people are more likely to behave reliably if they know their reliability is appreciated. Finally, the forth behavior is to treat problematic conduct as a joint problem not as a crime.

Persuasion, Not Coercion: Negotiate Side by Side

The element of persuasion, which is constantly opposed to coercion, has many similarities with the win-win approach described by Horacio Falcao, which is opposed to the win-lose approach. The authors focus on the impact of coercion on the relationship as well as on the quality of the agreement, and identify persuasion as the key to negotiate without negatively impacting the relationship itself. Coercion tends to damage the relationship and to destroy value in the negotiation by triggering resistance, as we have seen describing the win-lose approach in the previous chapter.

The authors propose five techniques to turnaround a coercive negotiation – win-lose - towards a persuasive one – win-win.

The first technique is to attack the problem and not the person. In every negotiation there are two sets of issues: issues regarding the interaction between the people in the negotiation, and issues regarding the substance. As suggested before is fundamental to disentangle people and substance. Attacking an individual is psychological coercion, so a better approach is to attack the problem.

The second technique is treat the negotiation as a joint problem-solving and not as a contest. Many negotiators proceed on the implicit assumption that they are engaged in a contest and the coercive approach seems appropriate. As opposite, approaching the negotiation as a joint problem-solving, the negotiators see themselves as colleague and avoid to engage in coercive tactics that would damage the relationship and the negotiation.

The third technique is to remain open to persuasion and avoid early commitment. Early commitment on a position sends the message that the others need to adapt. Communicating our preferred position should come later in the negotiation and even when communicating it we should leave door open to other options.

The forth technique is to explore interest as opposed to focus on position. Positions take the discussion away from interests while we are more likely to engage in a negotiating process that meets our mutual interests if we start by discussing them. In this process it is possible to identify interests that are different between the two counterparts but not in conflict.

The fifth technique is to invent multiple options improving the chances that both parties will find one that will reconcile their interests.

Acceptance: Deal Seriously with Those with Whom We Differ

No amount of rational thinking, clear understanding, accurate communication, trustworthy behavior or persuasive influence will build any relationship if each side rejects the other as unworthy of dialogue. Acceptance is the first step for building a relationship. Rejection creates physical and psychological obstacles that do not allow any understanding or trust to take place, since it is impossible to share any information.

The authors suggest to accept unconditionally. In this case they describe three techniques to promote acceptance. The first one is to respect the individual behind the stereotype that we see before knowing the person. The second technique is to give to the counterpart's interests the weight that they deserve, even if they seem unreasonable, by accepting that there is some legitimacy by your side. The third technique is to treat the other as equal in order to promote rationality and communication instead of coercion.

The Engine of Relationship Building

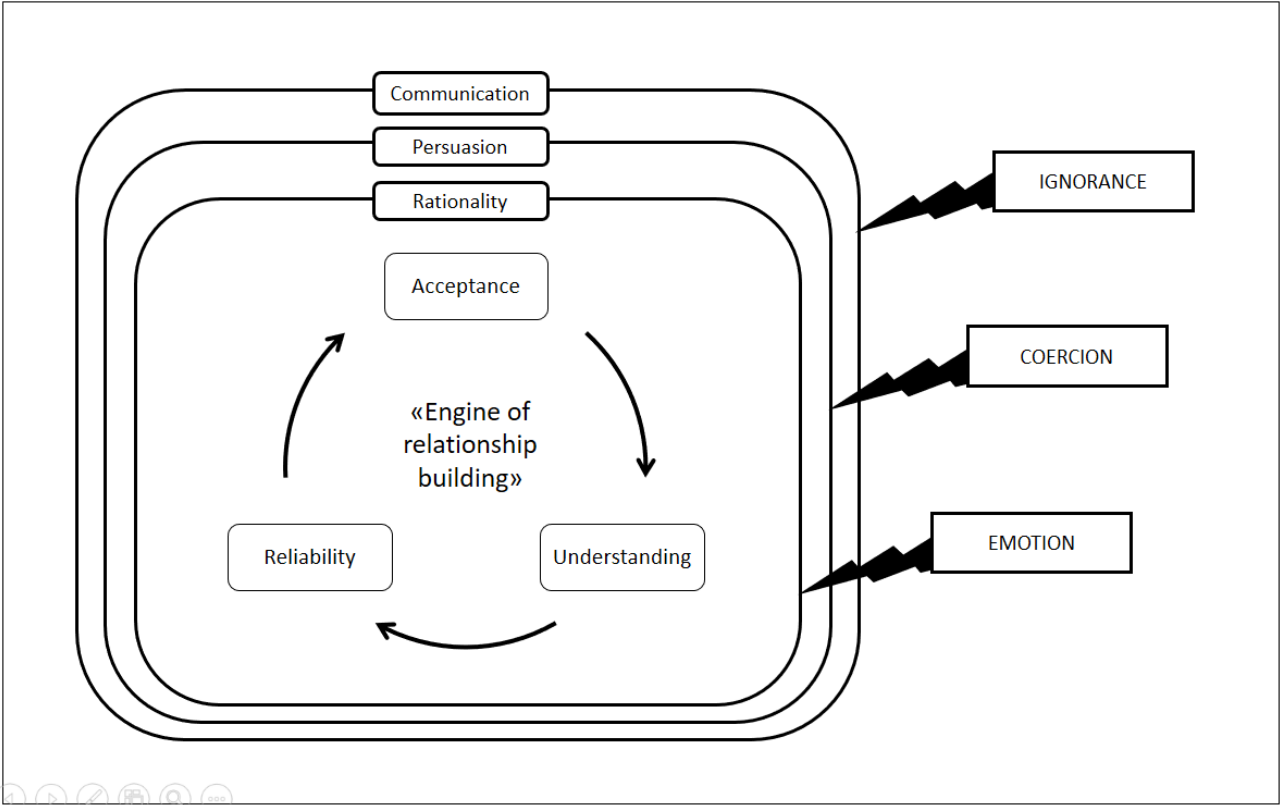
The six elements of the Unconditionally Constructive Behavior described by Roger Fisher and Scott Brown can be organized in two groups: a group of elements that actively build the relationship, and another one that protects the relationship.

We can define the first one as the “engine of relationship building” and it is formed by the triad acceptance, understanding and reliability (or trust). We can put those three elements in a logical order. Acceptance is the pre-requirement for any relationship, it makes possible the exchange of information enabling the counterparts to explore each other. A better knowledge of each other means understanding of what they care about, and improves the ability to deal with their differences. The more the two counterparts understand each other, the more it is easier for them to see the counterpart as predictable and trustworthy. Without interference, this virtuous cycle feeds itself and actively builds the relationship.

The second triad of elements – rationality, communication and persuasion – serve as a protective shield against interference for the “engine of relationship building”. Rationality protects it by balancing emotions and by avoiding that they impair judgment and make negotiators incapable to objectively explore interests and options. Communication protects the negotiators from ignoring the others' thinking and making wrong assumptions, and, consequently, setting wrong expectations that, when disappointed, create negative emotions. Finally, persuasion prevents coercion and avoids the use of power which means a win-lose approach that, by definition, creates less value than the win-win approach and can damage the relationship.

A relationship is made of numerous interactions and negotiations are in most of the interactions that we have. For this reason, protecting the relationship while negotiating is very important. In the following chapter we will see the impact of pre-existing relationships on negotiations, and we will be then able to use the elements of the unconditionally constructive strategy to mitigate this impact and allow the relationship to create more value in a negotiation.

Chart 1: The “engine of relationship building”



Negotiation and Relationship: what is different with a pre-existing relationship

The next building block to understand how relationships impact negotiations and which are the techniques to use for a successful negotiation is the study by Thompson and DeHarpport “Relationship, Goal Incompatibility, and Communal Orientation in Negotiation”.

It examined how perceived goal incompatibility and communal orientation affected performance in the negotiation differently in case the counterparts knew each other well and in case they didn't. For language simplicity couple that knew well each other before will be labeled as “Friends” and people that didn't as “Strangers”. As explained more in detail in the test description, “Friends” are defined as people that know each other for 3.93 years (mean of the sample) and that rated their relationship at least 4.3 on a 5 points scale.

In order to better understand the result of Thompson's and DeHarpport's research, the concepts of Goal Compatibility and Communal Orientation need to be defined.

Goal compatibility is defined as knowing whether our goals are compatible with others', and it largely determines the nature of our interaction with them. Negotiations may be viewed as either Problem-Solving or Bargaining situations depending on how they are framed. When a negotiation is approached as problem-solving situation, negotiators believe they have compatible goals and that the best result can be achieved through collaboration. When it is approached as bargaining they believe that parties' interests are fundamentally opposed and mutual agreement can be achieved only through compromise or through one party's capitulation. Linking this two approaches with Horacio Falcao's definition of win-win and win-lose, it is possible to identify correspondences between negotiators' approach in case of goal compatibility – problem solving - and the win-win approach. Correspondences can be identified also between negotiators' approach in case of goal incompatibility – bargaining - and the win-lose approach. Hence it is possible to conclude that goal compatibility most probably leads to a win-win approach in the negotiation and, viceversa, goal incompatibility most probably leads to a win-lose approach. In Thompson's and DeHarpport's study negotiations framed either as Problem Solving or as Bargaining situation lead to very different results.

Communal Orientation is defined as a set of implicit rules that govern how people expect resources to be allocated in relationship. People with high communal orientation feel more responsible for others' welfare, obliged to help other people, and expect other to be responsive to their needs and demonstrate concern for their welfare. In any negotiation, whether between friends or unacquainted persons, people may have high or low communal orientation. In general, to the extent that both parties are high in communal orientation, they should more likely reach integrative outcomes than when both parties are in low communal orientation, because both are concerned about the needs of the other. The prediction is that the most negative negotiation outcome would be achieved in the mixed communal orientation pairs because the discrepancy among belief and expectations. It is expected that the party which has high relationship concerns will earn relatively less than his or her partner, because the person high in communal orientation will meet the other party's need but his or her needs will not be met, which will result in a disparity.

The Thompson's and DeHarpport's experiment

The selection of participants

One hundred and ninety people participated in the study. Participants were students who were asked to take part in a social psychology experiment and to bring a friend or partner with them if interested. They were then filtered through a questionnaire aimed to evaluate their relationship with the partner or friend they brought and only people who reported to know each other for more than 1 year, to see each other at least 2 to 3 times per week and that rated their relationship at least 3 on a scale from 1 to 5 (1=acquaintances, 5=deep friendship) were scheduled for the experiment. One half of the participants were paired with their friend (friend condition); the other half were paired with strangers (stranger condition).

Goal Compatibility and Goal Incompatibility Scenarios

Three scenarios were created: one problem solving – goal compatibility situation – and two bargaining situations – incompatible goals situation. In the problem solving situation, negotiators were told that they should think of the task as a situation in which two people face a common problem – organize a vacation – and must work together to resolve it. Participants in the two bargaining conditions – negotiation of a vacation or purchasing a car – were told that they should think of the task as a bargaining situation in which each person is trying to get what he or she wants and must bargain for it. The fact that two bargaining conditions were created allows to distinguish the content of negotiations (car, vacation) from the label used to describe the task (problem solving, bargaining).

Score system

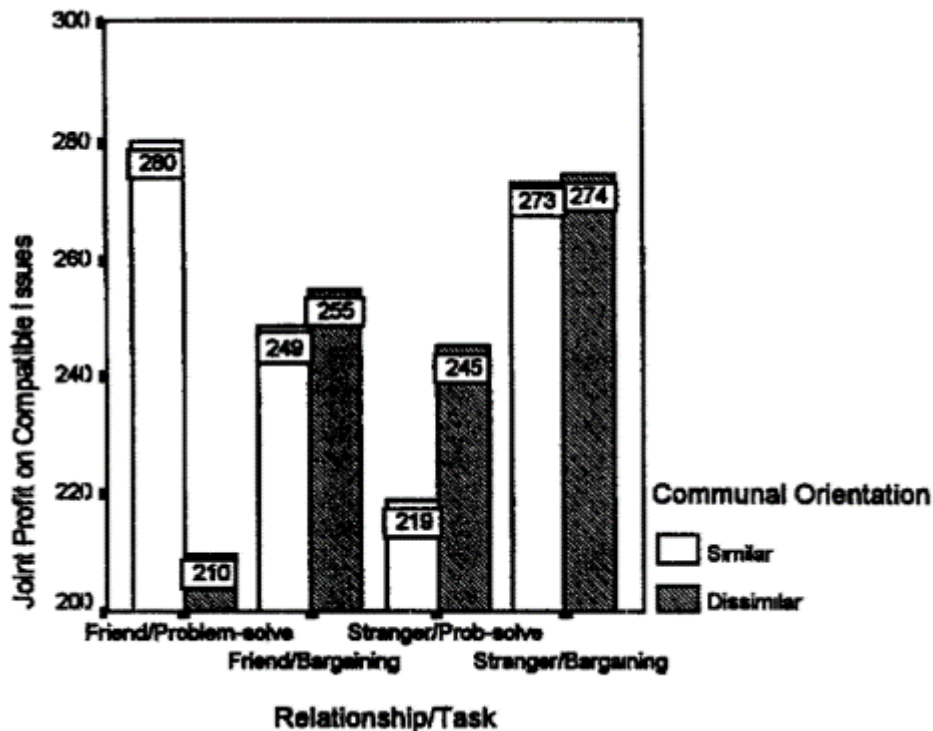
All the negotiations were objectively identical in terms of their underlying structure with only labels and issues differing. Participants were provided with a payoff sheet on which there were 5 issues and possible alternatives. Each alternative had a different score the point associated with different alternatives were identical for each variation of the task. In both tasks integrative solution existed in which participants could maximize their joint gain by logrolling and identifying compatible interests. Finally, participants were told that they should try to earn as many points as possible and that if they failed to reach an agreement in 25 mins their score would have been 0.

Communal Orientation Scale

Prior to the experiment, participants completed a questionnaire to assess their chronic orientation toward giving or receiving help in relationships. Based on the questionnaire result, a communal orientation score was assigned to each participant and so categorized as High or Low communal orientation. Three types of dyads were created: High-High, Low-Low and mixed

Thompson's and DeHarpport's experiment

Chart 1: Results from Thompson's and DeHarpport's experiment



As shown by the chart above, the study concludes that pairs of friends who perceived the task as a problem solving situation – goal compatibility – and were similar in communal orientation, were most likely to capitalize on joint interest, and generate higher joint profit than strangers in the same situation.

However, when friends were dissimilar in communal orientation, their ability to identify compatible issues declined precipitously obtaining the lowest joint profit recorded in the experiment despite having goal compatibility – problem solving -, below any other combinations including any situations among strangers.

Similarly, pairs of friends obtained less joint profit than strangers when the task was perceived as a bargaining negotiation, both for similar or dissimilar communal orientation situations.

It is possible to conclude that both conditions, similar communal orientation and goal compatibility, need to be satisfied in order to leverage the relationship among individuals and so to create more value.

Protecting the relationship, especially in a problem solving situation, allows the negotiators to build on the strengths given by the relationship itself – acceptance, understanding and trust – and unlock more value than any negotiations between unacquaintance.

The Communal Orientation Issue and a Proposal on How to Tackle it

The issue with mixed communal orientation in relationship derives from the unmet expectations that friends have towards each other. The study shows that communal orientation is not a proxy for close relationship. That is, communal orientation among friends and partners is not uniformly high even if the expectations are that people approach resources in a congruent way in interpersonal relations. As a consequence, people with high communal orientation expect the counterpart to be likewise, and at the same time, people with low communal orientation doesn't know that the

counterpart is willing to share his resources. For this reasons the mixed dyads confused, disappointed and frustrated each other and, while this clash of orientation was strong among friends, it was not as strongly felt by unacquainted individuals, who presumably had no expectation to be shattered or unmet.

We can think about this issue as a problem of ignorance about each party's communal orientation, which generates wrong expectation about similar communal orientation. Wrong expectations generate negative emotions, such as confusion and disappointment, and loss of rationality, which trigger fear. When fear kicks in, the two counterparts start to use power and coercion - win-lose approach - which lead to destruction of value. In addition, negative emotions impact negatively the relationship by breaking the acceptance-understanding-reliability virtuous cycle, which lead to even worse results.

The fact that the negative impact of mixed communal orientation on negotiation with involvement of previously existing relationship is demonstrated by Thompson's and DeHarpport's experiment, it does not mean that a trained negotiator cannot tackle this issue and achieve a successful outcome. As a matter of the fact we can find a useful tool among the six elements of the Unconditionally Constructive Behavior described by Roger Fisher and Scott Brown in "Getting Together": we can think of **communication** as the element that mostly can help to solve the problem generated by the ignorance that each negotiator has on the other communal orientation. Since the two counterpart are "friends" and have been in a relationship for an extensive period of time, they sit at the negotiation table with the erratic assumption to have similar communal orientation. They assume that there is no need to talk about their implicit wiliness to share resources. As a consequence, each party make a unilateral decision on what to expect in term of communal orientation without consulting the other. This is a case of not effective communication which lead to misunderstanding, loss of rationality, negative unhelpful emotions, distrust, sloppy thinking and, as confirmed by the result of the experiment, very poor outcomes. The unconditionally constructive strategy proposed by Getting Together want the negotiator to use a "Always Consult Before Deciding" (ACBD) approach, which allows to cope with the differences – in this case the different communal orientation –, avoid wrong assumptions, preserve the relationship while negotiating as well as the negotiation itself. In other words, before deciding on what other's communal orientation should be and set wrong expectation, the negotiators should consult each other and be open regarding their implicit wiliness to share resources. Thompson's and DeHarpport's experiment not only shows that friends which have similar communal orientation creates more value than those with different ones, but also that friends who were high in communal orientation were likely to allocate resources more equally than those low in communal orientation. For this reason, negotiators, in case of pre-existing relationship, should agree on approaching the negotiation with the intention to share their resources, that would mean a change of their natural behavior for those with low communal orientation. The only way to achieve that is, again, by communicating this intention explicitly, openly discuss about it and find an agreement before negotiating.

The Goal Incompatibility issue and a Proposal on How to Tackle it

When negotiation is regarded as a bargaining situation, an image of a buyer and a seller comes to mind. At the core of bargaining is the belief that parties' interests are fundamentally opposed. Mutual settlement can only be achieved through compromise or through one party's capitulation.

As Thompson and DeHarpport demonstrated friends who regard the negotiation as bargaining situation will view it as less cooperative and more competitive and threatening than unacquainted persons. Bargaining label adversely affect the ability of friends to reach integrative agreements because competitive tasks threaten existing relationship between people. **Friends are not accustomed to compete with one another and - similar to what is experienced in problem solving situation with mixed communal orientation - negative emotions, such as confusion and disappointment, and loss of rationality, trigger fear, which lead to a coercive approach – or win-lose - in addition to negative effects on the relationship.**

Also in this scenario the trained negotiator could solve this issue by appealing to the Unconditionally Constructive Behavior. **The solution proposed is to disentangle the person and the substance, and proactively change the way the negotiation is framed by treating it as a joint problem-solving disregarding how it is initially framed.** To the extent that two negotiators see themselves as colleagues trying to solve a difficult problem, they are unlikely to engage in coercive tactic that would damage their relationship and that would lead to destruction of value. This tactic falls under the hat of **persuasion**, which, as opposite to coercion, protect the relationship and the ongoing negotiation by leaving the door open to alternative way to interpret the negotiation, different than a win-lose approach - use of the power.

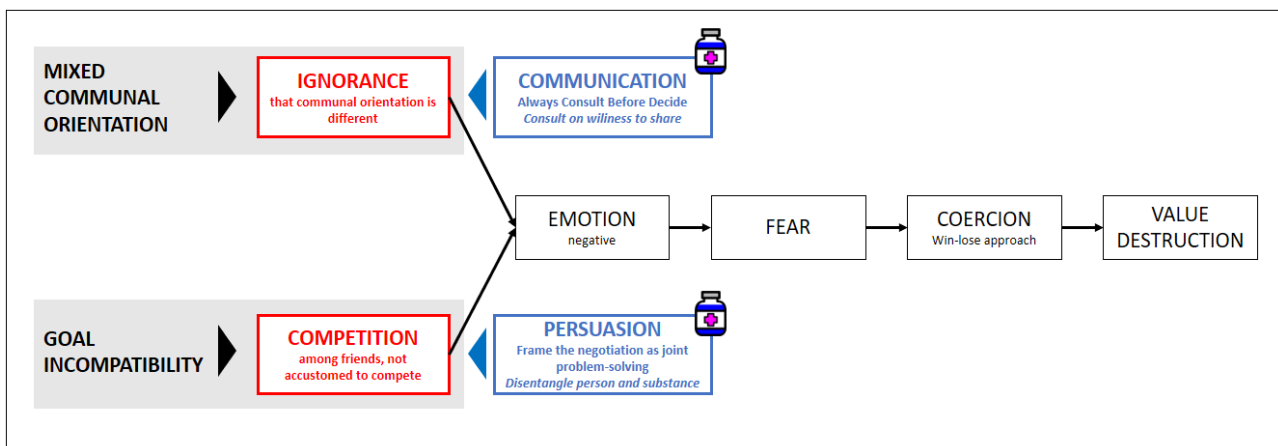
How to protect the Relationship and negotiate: a framework for the six elements

The “relationship building engine” described in chapter 2, sees **acceptance, understanding and reliability** working together when emotions are balanced with rationality. Building relationship creates the base for more value creation in negotiations: the more I accept my counterpart, the more I get to know it, the more I trust it, and we are primed to create more value than strangers, under certain conditions.

Thompson’s and DeHarpport’s article introduces communal orientation and goal compatibility as conditions: it shows how differences in communal orientations and goal incompatibility negatively affects negotiations in case of pre-existing relationship. We have identified **ignorance and competition** as the root causes of the negative outcome, and **communication and persuasion** as the solutions, derived by the Unconditionally Constructive Behavior described by Roger Fisher and Scott Brown in “Getting Together”.

This process is visualized by the following chart (Chart 2).

Chart 2: The impact of mixed communal orientation and of goal incompatibility and solutions



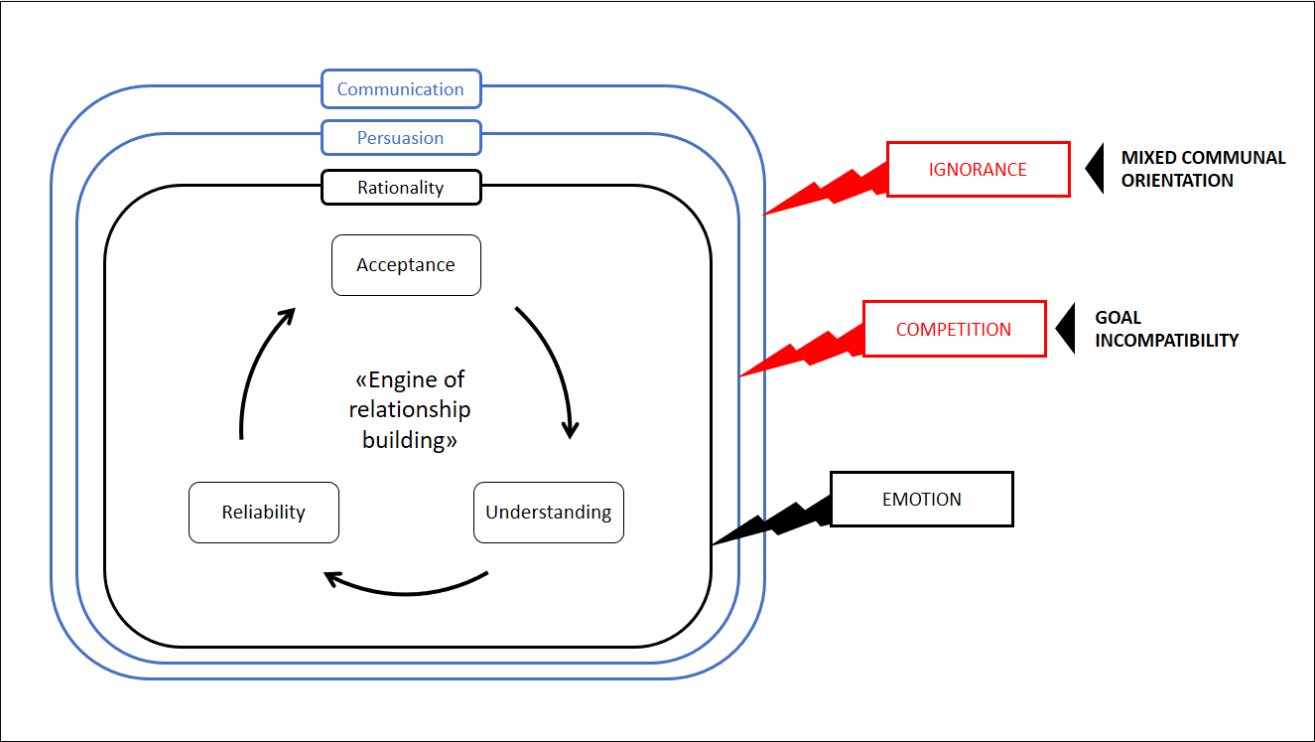
Now that we linked the two interfering elements from the experiment of Thompson and DeHarpport, mixed communal orientation and goal incompatibility, with the some of the six elements of the Unconditionally Constructive Behavior by Roger Fisher and Scott Brown, we are ready do provide a holistic view that includes both. The following framework (Chart 3) represents a unique and comprehensive view of the phenomenon.

In a stable setting, where emotions are balanced with rationality, the “engine of relationship building” the relationship grows while the counterparts negotiate and it is possible to create additional value compare to negotiations among strangers.

Mixed communal orientation can destabilize the setting due to the ignorance of each counterpart on the different communal orientation of the other, and the expectations of similar behaviors are disappointed. Communication can protect against this risk by making the negotiators explicitly consult on their wiliness to share and, in the best scenario, agree on sharing more resources.

Similarly, goal incompatibility, caused by framing the negotiation as a bargaining situation, can destabilize the setting by engaging the “friends” in a competition to which they are not accustomed, which leads to coercion. Persuasion can protect against this risk by disentangling the person from the substance and re-framing the negotiation as a joint problem-solving situation.

Chart 3: The six elements – acceptance, understanding, reliability, rationality, persuasion and communication – working together to build relationship while negotiating



What I Learned

I learned that, negotiations are in almost every interaction that we have with the others. When we are interacting - and so negotiating - with someone with whom we are cultivating a long term relationship, we are playing in a fragile equilibrium in which emotions need to be constantly controlled and balanced with rationality. If the equilibrium is preserved, each interaction helps in building and strengthening the relationship, and the two partners can achieve what two strangers cannot, and so unlock additional value for them. Unfortunately, if the equilibrium is broken during an interaction, the effect on the result of the current negotiation can be catastrophic and also the relationship can be affected.

But balancing emotion with rationality is just the beginning. Because each one of us is different in term of wiliness to share resources, and because life can put us in situations which can appear to our eyes as competitions, we have to introduce additional techniques to avoid to break the equilibrium.

These techniques are communication and persuasion. With the first one, we avoid to decide on assumptions that can be disappointed, and the tool here is the Always-Consulting-Before-Deciding approach. With the second one, we re-frame the competition in a joint problem-solving situation, avoiding to identify the issue with the person and working together at the same side of the table.

While I am aware that applying these techniques requires a lot of energy and solid discipline, I hope that the knowledge that (almost) every problem has a root cause that can be fought, will help me to have better relationships and at the same time create more value for both my partners – professional and personal - and me.