

THE ROLE OF EMPLOYEE NEGOTIATION POWER IN RESOURCE MANAGEMENT

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Abstract

Previous research on negotiation skills has focused mostly on the negotiation itself and tactics used when bargaining, while little research has examined the process by which people become effective negotiators. This paper is aimed at developing an initial model from an intra-organizational perspective to outline the factors that contribute to the development of negotiation skills and behaviors by employees. We focus on the types of developmental and learning experiences and processes that will lead to the acquisition of three types of key negotiation skills and behaviors: distributive, integrative, and adaptable. We also outline how unique types of individual difference and situational variables could contribute to particular negotiation behaviors, either directly or via an interaction with developmental experiences. This model will provide new insights, structure, and suggestions for more research on factors that lead to negotiation skill development and exhibition of effective negotiation behaviors.

INTRODUCTION

Many negotiation writers (e.g., Shell, 1999; Watkins, 2002) claim that everyone is a negotiator and everyone negotiates something almost every day, be it in their personal or professional lives. Fells (2010, p.3) defines negotiation as “a process where two [or more] parties with differences which they need to resolve are trying to reach an agreement through exploring for options and exchanging offers.” Organizations today are faced with globalization, workforce diversity, customer-focused strategies, intense competition, and flatter organizational structures. These organizations have a

vested interest in developing employees' skills to negotiate effectively and structure deals optimally (Brett, Northcraft, & Pinkley, 1999; Kim, Pinkley, & Fragale, 2005; Stevens & Gist, 1997). Negotiation skills are often a vital component to both employee and organizational success (Bendersky & McGinn, 2010; Lax & Sebenius, 1986). Weingart, Thompson, Bazerman, and Carroll (1990, p. 7) go as far as to say that negotiation research is drawing increased attention “because the topic has direct relevance to the development of managerial skills.”

Employee negotiation skills are exhibited in multiple ways during

employment, from bargaining the employee's own compensation and terms of employment to negotiating on behalf of the organization with customers, suppliers, and other stakeholders. Thus, the need for effective negotiation skills transcends all industries and employee levels, so a model that illustrates employee development of such skills should be very worthwhile in helping to organize research in such a key area of the literature and practice.

We believe that the leadership development literature provides some logical parallels to our effective negotiator development framework; therefore, we will make several comparisons between the two literatures. Much like great leaders, some people believe (Malhotra & Bazerman, 2007) that great negotiators are born with the talent. However, similar to the concept of leadership, the typical definitions of negotiation (e.g., Fells, 2010; Fisher, Ury, & Patton, 1991; Thompson, Wang, & Gunia, 2010) suggest that negotiation is a process that transpires between people. Just like leadership, negotiation might be developed and further honed, but the question is how? Similar to leadership skills, negotiation skills are challenging to teach, assess, and provide feedback on (Nadler, Thompson, & Boven, 2003). Though scholarly researchers have presented comprehensive tutorials and guides for effective negotiation (e.g., Lax & Sebenius, 2006; Thompson, 2008; Watkins, 2002), our intent is to propose a model from

an intra-organizational perspective on the development of negotiation skills and behaviors, not unlike literature that has outlined development of leadership skills.

Drawing from various negotiation and learning and development theories, this paper is aimed at going beyond tutorials on negotiation tactics, focusing on developing a more comprehensive, holistic view of employee negotiation skill and behavior development from both work and non-work experiences. We create a model that contributes insight into how individuals become skilled at effective negotiation, proposing that negotiation skill sets differ in complexity, and hence, development activities to increase these skills will differ in complexity as well. While our model is aimed at explaining how novice negotiators acquire effective negotiation skills and behaviors, behavioral change may not be as drastic for more experienced negotiators, but controlling for current skill level in empirical tests could allow for the detection of even slight additional development of skills. Additionally, we examine if the acquisition of particular negotiation skills do in fact lead to certain negotiation outcomes. Based upon limited existing research on these issues, our proposed model is an initial effort toward the creation of a more holistic framework of developing great negotiators from an intra-organizational stance; thus, we hope that our paper stimulates and guides empirical

testing that will allow elaboration and expansion of the model via future research.

STATEMENT OF THE PROBLEM

One major reason for the incessant industrial actions in organization's today is due to lack of good salary, review of policy that would be in line with changes in some macroeconomic factors such as prices of goods and services, and inflation. Prices of goods and services continue to increase everyday while the reviews of public sector employee's salaries are only considered years after negotiations and industrial actions. An application of effective industrial relation practices would ensure an established way of reviewing workers or employee's salaries in line with changes in the economy.

Over the years, Nigeria has witnessed protests and industrial actions by the public Employee's through their various labour unions over the non-implementation of agreed policies. Such incidents could be avoided if the government and employer's sincerely applies effective industrial relation practices.

Economic reforms and the quest for organizational effectiveness in the public administration, calls for collective bargaining of a good compensation plan/policy which includes better working conditions and motivational incentives in the public sector of Nigeria. Efforts to achieve this had led to protracted industrial actions and low morale of employees in the

public sector today.

Another issue affecting the organizational effectiveness of the public sector is governments' continuous insensitivity and insincerity to policies directly or indirectly affecting the public employees and its lackadaisical approach towards addressing these issues. Thus, the study focuses on achieving organizational effectiveness through effective negotiation by employees and their employers.

OBJECTIVES OF THE STUDY

The specific objectives of the study include the following:

- (1) To identify the industrial relations process of the Nigerian public sector.
- (2) To determine how to improve on the industrial relation's process of the public sector.
- (3) To identify the benefits derived from effective industrial relations.
- (4) To identify the strategies that could be used to manage industrial relations conflict

LITERATURE REVIEW

Defining what one means by “effective negotiator” is challenging (Bowles, Babcock, & Lai, 2007; Curhan, Elfenbein, & Kilduff, 2009; Miles, 2010), much like defining a “great leader” (Avolio, 2007; Bass, 1990). The types of negotiations encountered by employees will likely differ by position or role; for instance, salespersons will likely negotiate differently than human resources managers. A contractor bidding on a construction project

will likely negotiate differently than a sports agent negotiating the contract of his or her talented principal. Thus, effective negotiation behaviors might differ depending on the role involved, the number and types of issues being negotiated, and the outcomes desired from the negotiation.

From an organizational standpoint, an employee's effective negotiation may be constituted by the outcome that most benefits the organization. For example, a person employed in a sales position who effectively negotiates a one-time deal with a customer that maximizes profit for the organization would likely be considered effective in the eyes of the organization for that particular negotiation (Borchardt, 2008). However, other negotiations involve on-going relationships, and taking a long-term, strategic view of what is effective in the organization's eyes can sometimes be more appropriate than considering effectiveness within a single negotiation (O'Connor, Arnold, & Burris, 2005).

In the negotiation literature, negotiations are often characterized as distributive or integrative (Raiffa, 1982; Walton & McKersie, 1965). Though some of the skills required to be effective are similar in each type of negotiation (e.g., assessing one's best alternative, asking questions to acquire information), the behaviors involved in each tend to differ dramatically. The main reasons for these differences in behaviors revolve around;

(a) The amount of information that is exchanged, due primarily to the number of issues involved in the negotiation, and
 (b) The primary concern for self vis-à-vis the other party in terms of the negotiation outcome distribution (Raiffa, 1982; Walton & McKersie, 1965). The theory of cooperation and competition (Deutsch, 1973) and dual concern theory (Pruitt & Rubin, 1986) help to explain the distinctive behaviors in the two types of negotiations. Theory of cooperation and competition posits that individual negotiators have different social motives; pro-social or egoistic. Negotiators with pro-social motives are concerned about maximizing their own and their counterpart's outcomes, and exchange information and behave in ways to build trust and uncover tradeoffs for mutual benefit.

At an organizational level, this often parallels an organization's desire for more social outcomes of relationship building. Egoistic negotiators are concerned with their own outcomes, with little to no concern for the other party, and they seek less information about the other party but are very committed to their own position (De Dreu & Boles, 1998; De Dreu, Weingart, & Kwon, 2000; Deutsch, 1973). At an organizational level, this parallels an organization's desire for more economic outcomes of maximizing payoff. Similarly, dual concern theory argues that negotiators fall along a continuum of weak or strong

concern for self and concern for others (Pruitt & Rubin, 1986). Strong concern for self is usually exemplified by resistance to yielding or making few concessions to the other party (Kelley, Beckman, & Fischer, 1967); strong concern for others is exemplified by more cooperative behaviors aimed at ensuring both parties are satisfied with the negotiation (De Dreu et al., 2000). Thus, in explaining the different behaviors in distributive and integrative negotiations, we can see these motives and concerns emerge. Ideally, a negotiator's individual motive, pro-social and/or egoistic, will align with the overall organizational desired social and/or economic outcome for a negotiation.

Distributive negotiations require less information exchange as there is typically one issue being negotiated, and the distributive negotiator is geared toward obtaining the greatest proportion of that one issue for him or herself with an egoistic motivation. Thus, typical skills of the effective distributive negotiator include anchoring the bargaining range closer to one's own desired outcome, justifying reasons why his/her offer is reasonable, challenging the counterpart's justification for offers, avoiding making concessions, and emphasizing advantages held over the other party. Integrative negotiations require greater information exchange due to multiple issues being negotiated, and the integrative negotiator is geared toward

looking for opportunities for mutual gain, whereby both parties walk away satisfied with the outcomes on the various issues.

Integrative negotiators have a concern for others and are pro-socially motivated. In order to accomplish their objectives, effective integrative negotiators will exhibit skills such as ask questions of the other party to uncover their interests and priorities, reveal his/her own interests, identify tradeoffs and make multi-issue offers, and build trust through a problem-solving approach aimed at creating satisfactory outcomes for both parties.

RESEARCH METHODOLOGY

This chapter deals with the description of procedure that was adopted in carrying out the study. It contains area of the study, sources of data, population of the study, sample size determination, description of the research instrument, method of data analysis, validity of the instrument and reliability of the instrument. Data were collected from two major sources: primary and secondary sources. Primary source of data are the original information which have not been used in any previous study. Primary data was obtained through observation, questionnaire and interview.

The secondary source of data collection was obtained from textbooks, journals, newspapers, publications and the internet.

DATA PRESENTATION AND ANALYSIS

Data Presentation and Analysis

The data will be presented and analyzed using the tabular method along side with simple percentage analysis. Analysis will be based on the thirty (30) questionnaires that were returned as given below.

Table 1: showing the distribution of respondent, by sex

RESPONSE	FREQUENCY	PERCENTAGE (%)
Male	21	70
Female	9	30
Total	30	100

Source: field survey, 2007.

The data indicates that seventy percentages (70%) of the respondents are male. While the remaining thirty percentage (30%) belong to the female sex.

FINDINGS

The major findings at the end of this investigation include:

1. The industrial relations process of the Nigerian public sector include; collective bargaining, negotiations, mediation and arbitration.
2. Decentralizing collective bargaining and practicing true federalism will improve industrial relations process in the public sector..
3. Industrial harmony and organizational effectiveness are attributed to effective industrial relations.
4. Collaboration and compromise can be used to manage industrial relations conflicts.

CONCLUSION

Effective negotiation is vital to the success of organizations. This necessity exists in the broad spectrum of organizations, including government, private sector, and nonprofit organizations. Because of the stakes both distributive and integrative involved in negotiations, organizations have a vested interest in developing effective negotiators. Our goal has been to develop an initial model that details critical components to negotiation skill acquisition in employees. Despite the great emphasis placed on employees to be effective negotiators, there is not a holistic model from an intra-organizational perspective that explains how effective negotiators emerge, nor is there a critical mass of research on negotiation skill development in the same tradition as there is research on leadership skill

development. In many ways, effective negotiation has parallels to effective leadership.

RECOMMENDATIONS

From the above findings, the researcher wishes to make the following recommendations.

1. The federal legislators should bring into consideration the issue of institutionalizing a decentralized collective bargaining as a bid to solving the conflicts arising from the National Minimum Wage.
2. Efforts should be made by federal legislators to compel the federal government and all state governments to regularly publish its account publicly which would in turn serve as a yardstick during wage negotiations.
3. Employees, management and labour unions should be regularly re-orientated to be more collaborative and ready to compromise during collective bargaining and negotiations.
4. More industrial courts should be established that would be headed by independent judges whom are to be selected by the National Judicial Council (NJC).
5. The Labour Act, Chapter 198, Laws of the Federation of Nigeria 1990 which oversees the regulations guiding the Nigerian Industrial relations, are due for amendment and review, to be in line with the International Labour Organization (ILO) standards.

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