The Impact of the Negotiator’s Personality on the Negotiation process and Outcome

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Abstract:
This research examines the effect a negotiator’s personality has on the negotiation process and outcome.

Negotiation directly influences an organization’s profit. An organization’s profitability would increase if its buyers buy cost effectively and its sales team sells with a high profit margin. Hence, it is essential to hire the right people and to invest in an effective training; otherwise, the organization would suffer from losses. Therefore, it is of utmost importance to find out how the personality of a negotiator would affect the negotiation process and outcome. This will help them choose the right candidates. It will also help them choose the right training for them and will minimize waste of investment. Many studies have been conducted in this field. What other authors have written has
formed the basis and guidelines for the discussion of the empirical work.

The research purpose is to explore further, which personality traits would be most adequate for a negotiator and whether a good negotiator can be 100% made; or whether he has to possess a talent on which a firm can build further by training to make him acquire the necessary skills.

For the empirical work of this study, I have sent out 320 questionnaires, all of which I received answers for, adopting a quantitative approach. All candidates chosen had differed related professions (buyers, salesmen, HR people and senior management).

The answers of these questionnaires answered all five hypothesis and questions of this research.

The conclusion of this research was that the negotiator’s personality had a great effect on the negotiation process and outcome and that a negotiator had to possess some talent on which an organization can build to reach the required skills. Also, that the best development method for a negotiator was practice and coaching as well as training courses and preferably if all methods were combined together.

Additionally, the study pointed out which were the most important personality traits essential for a good negotiator. From the point of view of the various negotiators, these turned out to be openness, conscientiousness and emotional stability. Another
finding was that the most appealing negotiation approach was the collaborative approach. However, both literature and real-life stakeholders agreed on the necessity of the negotiator’s ability to adapt his/her style according to the situation at hand.

The findings offer invaluable information on many aspects of the negotiation process and the negotiator himself, and could form the basis for future studies.

**Keywords:**
Negotiator’s personality  Negotiation process Impact

الملخص:
يتناول هذا البحث تأثير شخصية المفاوض على سير ونتيجة المفاوضات، ولهذا تأثير مباشر على أرباح المؤسسات، حيث ترتفع أرباح أي مؤسسة إذا قام مسئولوا المشاريع باختيار المفاوضين. بالنسبة للإدارة، فإن القدرة على التكيف في تدريب فعّال، الاسباب لخسائر، وذلك فإن معرفة مدى و كيفية تأثير شخصية المفاوض على سير ونتيجة المفاوضات يعتبر غاية في الأهمية، حيث يساهم هذا على اختيار المرشحين المثاليين، كما أنه يساهم عليهم اختيار التدريب الأنسب لهم و يقلل من اهدار الاستثمار.

وقد تناولت كثير من الدراسات هذا المجال، ويمثل ما كتبه الآخرون القاعدة، والخطوات الاسترشادية لمناقشة العمل الميداني الخاص بهذا البحث، والهدف من هذا البحث هو المرضي كما في استكشاف السمات الشخصية الأنسب للمفاوض وكذلك إمكانية خلق مفاوض بنسبة 100% من الذين من الضروري أن يمتلك الشخص الموهبة التي تتبع للشركة أن تبني عليها تنمية مهاراته واكتسابه المهارات اللازمة حتى يصبح مفاوض جيدٍ.
البحث

هذا 100 وقد كانت نتيجة هذا البحث أن شخصية المفاوض تأثير بالغ على سير ونتيجة المفاوضات، كما أظهرت ضرورة أن يمتلك موهبة فطرية من الأصل تتيح للشركة فرصة للبناء لتطوير مهارات المفاوض والوصول به إلى المهارات المطلوبة، وكذلك فان أفضل طريقة لتطوير مهارات المفاوض كانت الممارسة والإرشاد و أيضا الدورات التدريبية والأفضل الجمع بين كافة الأساليب.

بالإضافة إلى ذلك فقد بنيت الدراسة أهم السمات الشخصية المطلوبة للمفاوض الجيد. هذا 100 ومن وجهة نظر المفاوضين المختلفين فقد تبين أنها الانتقاج، الالتزام والاستقرار النفسي، كما توصلت الدراسة في اكتشاف آخر وهو أن معظم المفاوضين كانوا يفضلون أساليب التفاوض ذو الفائدة الثنائية، ولكن سواء انا نظري أو عمليا فقد اتفقت الكتابات و المفاوضون في الحياة العملية على أهمية قدرة المفاوض على تغيير أساليبه حسب الحاجة والموقف.

وتقدم الاكتشافات معلومات ذات قيمة على كثير من المستويات والأوجه الخاصة بعملة التفاوض وكذلك المفاوض نفسه ويمكن أن تمثل القاعدة لأبحاث مستقبلية.

كلمات مفتاحية:

السمات الشخصية للمفاوض سير المفاوضات تأثير

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2. Research Question:

The guiding principle of my research is as follows:
Does the Personality of a negotiator affect the negotiation process and outcome?

In order to reach a conclusion, I will examine the following issues:
- Whether stakeholders believe that the personality impacts the negotiation process and outcome and to what extent
- Which personality traits do the stakeholders believe to be the most adequate ones for a negotiator?
- What negotiation approach do the stakeholders believe is the best to be adopted?
- How can negotiation skills be acquired from the stakeholders point of view.
- Should firms invest in negotiator’s training?

3. Research Rationale:

Negotiation is a theme I’m interested in researching because of its direct impact on an organization’s profit. Buying cost effectively or selling with a high profit margin increases organizations’ profits. Hiring the wrong people or investing in useless training causes losses. Trying to find out whether the personality of a negotiator impacts the negotiation process and outcome, will help organizations chose the right candidates. It will help them focus on the adequate manner of training them and will prevent waste of investment.
Many researches have been conducted in this field. My research has looked at this from the point of view of Egyptians. In addition a business case in an Egyptian Company was studied, where a comparison between 4 different personalities in the purchasing department was made.

4. Research Purpose:

Focusing on Egyptian professionals, I researched whether the personality of the negotiator affected the negotiation process and outcome from the point of view of the stakeholders. And through the business case I tried to find out how the different personalities of the three negotiators will affect the company savings.

Therefore, I have explored the relationship between personality traits and good negotiators as well as the effectiveness of negotiation training. I have examined the stakeholders’ perceptions of the various negotiation styles and approaches, the required personality traits and skills and the best training methods to have a successful negotiator.

Based on my findings, I drew some conclusions as to how the personality of the negotiator affects the negotiation process and outcome.

5. Literature Review:

5.1. Mapping Relevant Literature:

The literature that will be discussed mainly relates to six areas: Various negotiation approaches, personality traits impact
on negotiation, negotiation training effectiveness, effective negotiation skills, cultural impact on negotiations and how the personality of a negotiator affects the negotiation process and outcome.

5.2. Literature Review:

One of the most important managerial skills in today’s global environment, which leads to an organization’s success, is the negotiation skill. It is almost required in all of the business aspects. This makes skillful negotiators valuable assets, since they enhance an organization’s financial performance, as they increase the added value when closing a deal and decrease value of a wasted opportunity. Actually, all professions necessitate skillful negotiators, (Elshenawy, 2010)

Negotiation is the method of persuading others to give us what we want in exchange of a minimum value. It involves a lot of skillful communication and knowledge as well as diplomacy and act. It is the cooperation between two parties to find a solution for a certain situation. Nevertheless, the majority see it as a competition. Hence, they try to defeat their counterpart, using all possible means. The adoption of such an approach, usually, has an opposite effect. It can also jeopardize the relationship of the competing parties. On the other hand, if both parties treat this process as a shared problem and do their best to find a shared solution, they will end up being much happier with the outcome (Goldwich, 2010)
Negotiations can be either distributive, integrative or compatible. Distributive negotiations are competitive negotiations and generate a win-lose situation, integrative negotiations are cooperative negotiations and generate a win-win situation. As for the compatible negotiations, these are also win-win situations where both parties had wanted exactly the same outcome (The Business Professor, 2018).

Researchers have widely researched negotiation, viewing it as a necessity and a set of skills that is always used. Training has proven to be effective in interpersonal and problem-solving fields. Firms extensively invest in negotiation training. However, there is little academic evidence regarding the effectiveness of negotiation training, since it has not been extensively researched (Movius, 2008).

The most important skills that a negotiator should possess are:
1- He has to make sure that what he is doing is in alignment with his organization’s goals. 2- He has to be prepared by gathering as much information as possible. 3- He must always be up-to-date, know whom he’s talking to and know his Best Alternative To a Negotiation Agreement (BATNA). 4- He must be flexible in changing his strategy and tactics as the negotiation goes on. 5- He must always focus on his objective, never getting emotional and always playing cool. 6- He has to have the ability to eliminate barriers. 7- He has to be political enough to gather allies. 8- He has to be able to gain trust and should have a trusted
reputation. It is said that all of the above mentioned skills can be acquired (Negotiation Experts, 2017)

Controversial study results have been found in literature as to whether negotiation training is effective or not. Some researchers are of the opinion that negotiation training is absolutely effective, while some others argue that there is no evidence to this belief. This argument is supported by a further debate regarding whether negotiation skills can be transferred or not. On the other hand, those who believe that negotiation skills can be obtained believe in the absolute effectiveness of the negotiation training. However, personality and situational effect debates change this belief, (Elshennawy, 2010)

Pon Staff, (2018) state that negotiation tips focus on avoiding common mistakes made usually by most negotiators. What is mostly neglected is that personality also has an effect on the negotiation process. They made a comparison between three negotiators: 1- a manager who does not accept any arguments contradicting his views and gets very aggressive, 2- a person who cares more about others than he cares about himself, 3- a lawyer, who was the spokesman in a distinguished college. He suggested that the 1\textsuperscript{st} one would probably bully his opponent, the second one would give in easily, and the third one would outsmart his opponent. As much as skilled negotiators, who always succeed in achieving their goals are found, there are also those who always
get beaten. This proves that personality traits influence the negotiation process and outcome.

Thomas Killmann Conflict Mode Instrument lists five types of negotiators: 1- Competing (win-lose), 2- Avoiding (lose-lose), 3- Compromising (win some and lose some), 4- Collaborative (win-win) and 5- Accommodating (lets the other party win) (Horton, 2018)

Although the majority of articles think that the win-win outcome is the ideal, Horton, (2018) differs with them mentioning that a person cannot be someone he’s not, adopting a style that does not match his character. A win-win situation needs a collaborative negotiator. Who, in turn, needs to possess certain traits; namely: being high on agreeableness and openness. He also is of the opinion that a win-win situation is not always required.

Mc Cannon, (2017) is of the opinion that the negotiation process and outcome are not only influenced by environmental factors and institutional power but also to a great extent by the negotiators’ personality traits.

Barrick and Mount, (1991) found that conscientiousness was favourable to all occupations, meaning that this personality trait possesses qualities important for all types of jobs and would excel in any job. Equally important was openness to experience, since this person will have the ability to acquire the necessary skills that he might originally lack through training.
Premuzic, (2017) is of the opinion that the most important personality trait is emotional intelligence (EQ), which contains self-control and likability. These two together are very advantageous in situations that involve emotions as they produce and spread positive mood states in their opponents, leaving them happy with the outcome. Another trait encompassed by EQ is self-awareness, which helps its owner understand how he is perceived by others.

Wimsatt, (2002) is of the opinion that there was no consistency in research results to provide strong evidence to support the theory of personality traits affecting the negotiation process or outcome. Hence, it is assumed that culture might be responsible for these inconsistencies.

I shall try to find out through my research whether the personality traits affect the negotiation process or outcome by collecting various stakeholders’ opinions and by conducting a case study in the purchasing department, where a comparison between the various buyers will be conducted to find out how the personality of each one will affect the negotiation and outcome.

6. Role of Theory

Much attention has been given to the importance of negotiation skills in literature as well as in business, having a direct impact on the profitability or loss of an organization. This has been mentioned by researchers as well as managers.
A wide range of literature exists on personality traits as well as negotiation skills. For the purpose of my research, I will use the theories of personality traits and their impact on negotiators' behaviour and induce how a negotiator’s personality will affect the negotiation process and outcome.

After having reviewed the relevant literature, I sent questionnaires to the different related professionals and compared their views. My findings identify whether the existing literature agrees with the views of the questioned stakeholders or whether it contradicts with them.

7. Methodology and Method

7.1. Methodology

Methodology is defined as an approach for establishing knowledge about a subject the researcher wants to investigate and understand (Gripsrud, Olsson & Silkoset, 2010). According to SavinBaden & Major (2013) the methodology that the social researchers tend to use could help them investigate the complexities they are facing by decreasing the complicated question and issues around the research subject. Since social researchers tend to face an increasing range of complexity questions and issues regarding their research question, it is essential to find the correct methodology. However, usually the methodology the social research tends to adopt in their investigation are usually compatible with their point of view of the world, and the nature of knowledge and social reality. In
methodology it is common to distinguish between quantitative and qualitative methods. The quantitative research method is used to measure and/or count the phenomena and the relationship between them (Bell, Bryman & Harley 2019). The quantitative research method therefore collects and records data in the form of numbers (Johannesen, Christofferson & Tufte, 2011). According to Lowhorn (2007), by collecting data from numbers, quantitative methods give an opportunity to get a general understanding of the research phenomenon. Since with this method we are able to establish statistical conclusions by categories of one or more variables occurring among the research units (Tufte 2018). Qualitative research, on the other hand, gives an opportunity to understand the phenomenon by collecting data in form of text, sound and image to find the way people think and feel (Lowhorn 2007, p. 1). In my thesis I want to investigate if a negotiator should have a talent to build on or whether a normal person with no talent can be educated to become one. Also, I need to explore the effect of his personality on the negotiation process and outcome. I find it essential to take into consideration that everyone negotiates, since negotiation is developed when two or more parties attempt to resolve their opposing interest. Therefore, deciding where to eat to whom should be our supplier, to which company we should collaborate with, are considered as negotiation (Lewicki, Saunders, & Barry 2015 p. 3). Negotiation can therefore be seen as part of our daily life and occur whenever
individuals try to affect the other parts actions. Based on this I have decided to conduct a study on a sample group to examine and get an understanding of my research question. Therefore, I have chosen the quantitative research method as my approach for my thesis, where I collect data and records from numbers. In addition to quantitative methods, I will use a business case to be able to get a full understanding regarding my research question. With the business case I will be able to manipulate the data, asking questions, and see how it affects the dependent variable, negotiation outcomes.

7.2. Levels of Analysis
My focus of analysis is the perception of people of a good negotiator, whether he should possess certain personality traits and how they find impact of the personality on the negotiation process and outcome. This is in addition to my own observation of a real life case study where I made a thorough comparison between 4 different buyers working at the same company, within the same environment and culture but who have four different personalities. Within my focus, my unit of analysis is the individuals.

7.3. Method

7.3.1. Data Collection
Quantitative research method is used to measure and/or count the phenomena and the relationship between them (Bell, Bryman & Harley 2019). Bell, Bryman & Harley (2019) described
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quantitative research “in broad terms” that it is based on collecting numerical data and has an exhibiting view of the relationship between the theory and the researchers as deductive. Deductive is the approach to the relationship between theory and research in which the latter is conducted with reference to hypothesis and ideas inferred from the former (Bell, Bryman & Harley 2019). The approaches of this methods have eleven steps of the quantitative research process; (1) Elaborate theory, (2) Devise hypothesis, (3) Select research design, (4) Devise measures of concepts, (5) Select research site(s), (6) Select research subject/respondents, (7) Administer research instruments/collect data, (8) Process data, (9) Analyze data, (10) Develop findings/conclusions, and (11) Write up findings/conclusions. These eleven steps reflect the underlying logic behind the method. However, the order can vary from time to time, but this is the categorize a researcher in quantitative methods always passes by (Bell, Bryman & Harley 2019). In quantitative research methods the researcher use measurements to be able to collect data. But also to be able to understand the research phenomena. The reason behind this is because measurement allows us to delineate fine differences between people, organizations, or other entities that can be difficult to recognize (for example, level of satisfaction at work).
7.3.2. Data Analysis

Measurement can also provide a ground base for getting a more precise estimate for analyzing the degree of a relationship. This is because by using measurement there is a possibility to conduct a correlation analysis (Bryman & Harley 2019). Therefore, the reliability in the measurement is highly important. Bell, Bryman & Harley (2019) stated that reliability has at least three different meanings: stability, internal reliability and inter-rater reliability. Stability can be tested by the method test-retest of the measurement. This can be done by administering a test or measurement on one occasion and then do it again but on another occasion with the same sample. In internal reliability the degree of the indicator conducted from the measurement makes a scale that is consistent. And if there is a poor reliability in measurement, it also affects its validity of the measurement. Bell, Bryman & Harley (2019) stated that if the measurement is not relatable, it cannot be valid. Validity is important, because it means that the measurement is actually measuring correctly those concepts. In conclusion the data that have been collected is valid and relatable, and therefore the conclusion the quantitative researcher has conducted can be seen as correct (Bell, Bryman & Harley 2019). This is important for quantitative researchers because they usually hope that their findings could be generalized. This means that the results of their data have findings that are beyond the confines of the particular contexts of
the conducted research. In addition to this, quantitative research attempts to imitate the natural sciences, and develop “law-like” generalization of the social world (Bell, Bryman & Harley 2019). Tufte (2018) stated that this could be done by establishing a statistical conclusion by categories of one or more variables occurring among the research units.

7.4. Reliability and Validity

7.4.1. Reliability

There are four main reliability threats (Saunders et. al, 2016). Regarding questionnaires, I sent the questionnaires to people to answer them and send them back at their convenience to give them the chance to take their time answering their questions and not feeling rushed to finish. This should minimize the risk of error. They could also finish answering them at places, where they would be at their ease, giving them the chance to say whatever they would like to say.

Regarding my position as researcher, I read the questionnaires more than once to avoid misunderstanding at any stage. The questionnaires had a good structured part to collect accurate data and reduce interpretation. The questionnaires were written in Arabic language to ensure that all stakeholders have exactly the same understanding of the questions. Nevertheless, interpretation were made where necessary at the stage of drawing research conclusions. However, justifications for such interpretations were made to keep the research’ findings reliable.
for further studies. Also, my observations of the four buyers were made throughout 6 months and were based on actual numbers and real life negotiation outcomes and real saving percentages.

7.4.2. Validity
The falsifiability of my findings were minimized through asking all individuals exactly the same questions and comparing all their views with the conclusion of the literature review. Also, that the case study was based on actual numbers not just my own perception and real life company data. My findings can be generalized on any organization recruiting any sales or procurement personnel. Hence, it will realize the required generalizability.

7.5. Ethical Issues:
I made sure to take my stakeholder’s consent before revealing their identity. I also made sure to take the company’s manager’s consent before revealing any business information.

I ensured though, their consent to revealing their identity. For convenience purposes, I sent the questionnaires by e-mail. I did not reveal any confidential information of the company. I worked according to a code of conduct that will ensure my integrity as a researcher and aid in assessing my findings validity.
8. Discussion

8.1. Hypothesis:

H1 If there is a significant difference towards the personality impact according to:
   (a) Gender
   (b) Age
   (c) Position

H2 Which personality traits do the stakeholders believe to be the most adequate ones?

   IF there is a significant difference towards the personality traits according to the position

H3 The flow-chart of the sequence of personality traits according to the stakeholders’ opinion.

H4 The flow-chart of the negotiation skills be acquired according to the stakeholders’ point of view.

H5 IF there is a significant relation between investing in negotiators’ training and the opinion to what extent.

8.2. Analysis:

To conduct the analysis T-Tests and Annova Tests and cross tables were used.

9. Findings Summary

1- The negotiator’s feelings have a direct impact on the negotiation process and end-result.

2- A reactive negotiator would reveal his/her feelings.
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3- This means that revealing one’s feelings would directly impact the negotiation process and outcome.

4- The opinions of the males differ from the female for this question.

5- There is a significant opinion difference according to age.

6- There is a significant difference in the opinions according to the position.

7- The most adequate personality traits for the negotiator are resilience and conscientiousness. However, he should be able to adapt.

Resilience of Neuroticism → Focused of Conscientiousness → Explorer of Openness → Introvert of Extraversion → Adapter of Agreeableness → Extravert of Extraversion → Challenger of Agreeableness → Preserver of Openness → Flexible of Conscientiousness.

8- There is a direct relation between the training and the good negotiator and the negotiation outcome.

9- There is a direct relationship between video, shadowing, coaching, courses (training).

10- The best development method for a negotiator in order would be Years of experience → Basic Talent → Developing Coaching → Managerial level → Developing Training → Teaching without talent → Education → Uneducated (Basic talent) → Developing Shadowing.
11- The compromising approach is the most popular, as it ranks the highest with its 83.47%, next comes the collaborative approach with 71.78% and the least favourable approach is the accommodating style.

10. Limitations

The sample was from one company, which might have influenced their way of thinking and perception, due to their unified training.

Also, the research was made in one country only, which does not cover the global cultures.

The number of negotiators in the business case was limited to 4 people, which is not sufficient to accurately reflect reality.

The empirical research should have been made through face to face interviews rather than questionnaires to enable further questioning which would have opened the door to deeper understanding and discussion of the matter.

The females were only 13.4% of the total questioned people, which did not allow a fair female/male opinion.

The sample of people between 25 – 35 years old represented around 70% of the questionnaire, which impacts the results negatively, as more experienced people would have difference opinion. I would suggest that future and further research should therefore try and widen the base of the sample by deriving their samples from more than one company as well as from different related professions.
11. Conclusion and Recommendations

11.1. Sub-questions Answers:

The result of the questionnaire was for the opinion that a negotiator’s personality has a great impact on the negotiation process and outcome. Many researchers in literature agree with this outcome (Hosmanek et al., 2014; Pon Stuff, 2018; Grabowska and Kozina, 2016; McCannon, 2017).

According to the answers of the questionnaire, the most important trait for a successful negotiator is resilience. Next comes conscientiousness then openness. So, these are the most adequate personality traits for a good negotiator. Literature results were controversial here (Barrick and Mount, 1991; Barry and Friedman, 1998; Lia-Troth, 2015; Premuzic, 2017).

The questionnaire revealed that most of the stakeholders favoured the compromising and collaborative approach but the rest was there too. Many researchers agreed with this outcome (Goering, 1997; Robert et al., 2013; Thompson, 1990).

The questionnaire revealed that all of the possible methods for a negotiator’s development are needed and preferably combined. It also revealed the importance of basic talent. (El-Shennawy, 2010; Movius, 2008; Negotiation Experts, 2017; Watershed Associates, 2018)

The questionnaire showed that firms should invest in a negotiator’s training as much as possible. (Negotiation Experts, 2017)
In answer to the main research question, this study concludes that the personality of the negotiator has a high impact on the negotiation process and outcome. It also concludes that a good negotiator needs to have a basic talent but he also needs a lot of teaching and experience.

11.2. Recommendations:

When hiring negotiators, it is recommended to choose people with the adequate character and personality traits. These candidates should be thriving to become good negotiators and should be willing to learn. They should be high on resilience and conscientiousness. A certain degree of openness and introversion would be good. A negotiation is also important.

The most valuable training methods recommended are experience and coaching but all of the others (filming, training, shadowing, etc) were also of importance specially if combined.
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References


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