

Negotiation Style And Approach: Are Stereotypes A Myth?

IACCM's recent survey on Negotiation Styles and Attitudes showed a higher than expected level of consistency when we analyzed the results by geographic region, by job role and by gender. It suggests that stereo-typical views of norms and behavior are (at least among contract negotiators) potentially outdated and misleading.

However, the study confirms that there are significant differences in negotiator preferences and styles which may therefore have extensive influence on how a negotiation proceeds and how successful it will prove. The fact that these preferences are not readily predictable based on obvious factors such as geography, gender or role actually makes our task more complex. It means that a good negotiator must be highly observant and find ways to test the other side's preferences and approaches on a whole range of stylistic issues – in particular, those that we outline below.

This same questionnaire is a classic that has been used by negotiation researchers and has led to significant conclusions on the impacts of culture on style and approach. Although the IACCM community supports some variations, they are not entirely consistent with this earlier research and certainly not as pronounced. Overall, the results show higher levels of similarity across the different segments in many of the factors that we tested.

But are these similarities real, or imagined? Have we become more conscious of our own stereotypes, resulting in either conscious behavioral change or adjustment in the way we answer? Taking a few examples from the results, is it true that the British more informal in style than the Americans? Are Italians less emotional than Australians? Are lawyers more interested in 'win-win' negotiations than any other job group?

Perhaps increased training and awareness is resulting in a more consistent approach across all groups. Our survey was focused on contract and negotiation professionals, whereas the previous studies drew data from a wider population of business people.

The survey is of course based on self-perception - and in some respects, that not only masks differences, but also tells us about the depth of complexity when we are operating across boundaries. It raises three immediate questions:

- How should a negotiator test and then handle someone whose perceptions of their behavior and style are at dramatic odds with the reality, at least as perceived by the other side?
- In today's approach to negotiation, do we anticipate - and allow for - expected style variations that are based upon old or misleading data? Are we allowing for behaviors that no longer exist?
- Do we tend to overlook the fact that variations of style and approach may be as great between negotiators in our own culture as those that exist across cultures?

The survey therefore highlights some areas that will prove fruitful for further analysis and may result in useful tips on negotiating across borders - job borders, geographical borders, gender borders and stylistic / attitudinal borders. Our first step in this next phase is to test whether self-perception accords with the experience of others. We are updating our 2004 survey international negotiation experiences.

Who Participated?

The survey was conducted in June / July 2006 and attracted input from several hundred negotiators, representing contract management, commercial, procurement and legal in more than 20 countries. The community is - of course - predominantly handling business-to-business negotiations. Unfortunately, the level of input from many of the Asian, Middle Eastern and Eastern European countries was insufficient to enable reliable comparison for these at a country level.

Variations: What Do The Results Tell Us?

When asked whether they saw their goal as being more directed towards establishing '**a contract**' or '**a relationship**', those in the EMEA region are most likely to veer towards 'relationship' negotiation (43%) versus just 30% in the Americas and 36% in APAC. The EMEA numbers reflect a strong 'relationship' tendency in Benelux and Northern Europe (including UK). By function, Procurement are most likely to want a relationship (46%) and those in contract management / commercial are more likely to be focused on 'the contract'. And women are also more likely to prefer a relationship approach - just 23% chose 'contract', against 39% of men.

Americans are less committed to '**win-win**' negotiations, with just 71% being strongly oriented to this style, compared with 88% in APAC and 84% in EMEA. Those in Central / Western Europe and Australia are the most fervent for win-win - though few in any country admit to a propensity for win-lose (if you want confrontation, your best hope seems to be a male lawyer from the Netherlands!). Procurement as a function is the least committed to win-win - though even here, 72% identify this as their favored style. The lawyers are the group that see themselves most strongly committed to win-win; with women also showing a marginally stronger inclination to this style than their male colleagues.

Australians and those in Benelux are the most **informal** when it comes to personal style in conducting negotiation. Central Europeans are the most formal. But according to the participants, those in the UK are substantially less formal than their US counterparts - 52% versus 34%. That certainly doesn't fit with popular perceptions! And nor perhaps would a majority see the legal profession as the most inclined to informality - yet 53% depict their style to be informal, compared with just 36% in Procurement. More men (19%) have a preference for formal style than do women (12%).

Time-sensitivity is a characteristic long associated with those from the US - and this is borne out by comparison with other English-speaking countries (UK, Australia). But surprisingly, Central Europeans topped the list of those who claim to be most time sensitive, with those from the Netherlands second. Less surprising is the fact that lawyers are significantly less driven by time than all other groups. Women, on the other hand, show themselves more time sensitive than males.

The Southern Europeans confirmed their reputation for **emotionalism**, with Australians coming close behind (and beating some groups, including those from Italy). North Americans came low on the emotional scale, along with Germans. The functional variations were mostly not significant - except that the lawyers once again were distinctive, showing a lower propensity for emotion in their negotiations. And women? They also selected lower emotionalism; just 14% rate their style as 'high emotionalism', versus 22% of men.

Participants from all regions strongly prefer a **specific, rather than general, agreement** form. The functional groups also showed consistency in this area. However, views are more diverse when it comes to the way the agreement should be negotiated. Europe and the Americas select a **'top-down'** approach, whereas Asia-Pacific showed a preference for 'bottom-up'. Sub-analysis shows that these regional averages disguise significant variations. For example, Northern Europe has an overwhelming preference for top-down, whereas a majority in Central Europe incline to bottom-up negotiation. Functional contrasts confirm that negotiators would be well advised to ensure there is agreement over the approach to agreement building; lawyers split evenly in their preference for bottom-up versus top-down; contract management / commercial have a distinct preference for top-down and Procurement is least likely to have strong views in either direction. Women show low preference for bottom-up.

Team **organization and leadership** is an area where cultural differences might be expected to make a difference - and they do. There is a clear divide between the preferences in US, UK and Australia for 'one leader', versus the majority in other parts of Europe and Asia for consensus. Central Europe led the way on consensus (nearly 60% having strong preference for this form) and the US was the fiercest advocate of one leader. As with agreement building, negotiators should be sensitive to the potential for different views and style on how teams should be organized and led. Functional distinctions are quite marked; Procurement / Sourcing are strong advocates of the 'one leader' approach, whereas lawyers are mostly disposed towards consensus. Contract Management / Commercial professionals are evenly split between the two options. Male participants have strong views in both directions - they are evenly split in their preference. A much lower percentage of women opt for one leader, but many more take a central position between the two options.

IACCM's past surveys have identified that Europeans consider themselves better risk-takers and risk managers than their North American counterparts. At a regional level, the participants from the Americas rated themselves lowest in terms of their risk-taking in negotiation; Europeans came highest. Those in Asia-Pacific were at the extremes - either high or low risk, few in between. At a country / sub-region level, Northern Europeans rank themselves as high risk-takers. Functional perspectives are broadly similar, with around 30% seeing themselves as high risk-takers - however, Legal is the exception here, with just 12% selecting the high-risk categories and an overwhelming 65% taking the middle ground - neither high nor low. And the different genders? They are almost identical in their views - 31% of women and 27% of men are high risk-takers; 28% of women and 29% of men are low risk-takers.

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