

THE IMPORTANCE OF SPIRITUAL VALUES AND PRACTICES FOR THE CONSTRUCTION OF NEGOTIATION CAPABILITY

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1. Introduction

The main objective of this research was to contribute to the understanding of the **negotiation capability**, with special emphasis in the detection of **reference practices** applied by the **decision makers**, considering that **negotiation** is one of the essential skills that lead to organizational effectiveness and success.

2. Qualitative Methodology

Given our research focus and interest, **grounded theory** and **participant observation method** were adopted to carry out our study.

Grounded Theory

Glaser and Strauss (1967), both sociologists, initially articulated the ground theory approach in 1967 with the publication of "The discovery of ground theory", using their study on the treatment that hospital personnel give to terminal patients. **The objective of this research was to demonstrate how theory can be systematically generated from data (Glaser, B. & Strauss, A. 1967).**

2. Qualitative Methodology

Participant Observer

We based on **Becker approach** (Becker, H. S. 1958), who states that “the participant observer gathers data by participating in the daily life of the group or organization he studies” and also “watches the people he is studying to see what situations they ordinarily meet and how they behave in them”, as well as on the **Hargreaves approach** (Hargreaves, D. H. 1967) who states that, in theory, the direct participation in the group life permits an easy entrance into the social situation by reducing the resistance of the group members; decreases the extent to which the investigator disturbs the 'natural' situation, and permits the investigator to experience and observe the group's norms, values, conflicts and pressures, which (over a long period) cannot be hidden from someone playing an in-group role.

2. Qualitative Methodology

Our study, settled in form of **reference practices**, is based on the knowledge acquired by participant as observer in over **600 personal meetings and conference calls with decision makers from 13 different countries**: Argentina, Belgium, Brazil, England, France, Germany, Holland, Israel, Mexico, Portugal, Spain, UAE and USA; and from different sectors: Construction, Consultancy, Energy, Law Firms, Financing, Trading, and Technology, where the first author had the opportunity to collaborate in the processes of negotiation for various projects as well as by over **800 interchanged e-mails** and also by conducting **15 semi-structured** open ended interviews to decision makers, which were authorized to be tape-recorded for later transcription and analysis. These events occurred during **more than 3 years**, more precisely, from 2008 to 2011. It is important to underline that the profit obtained by the projects in question is not included in the scope of our study.

3. Theoretical Framework

Reave (Reave, L. 2005) who reviewed 150 studies, argue “that there is a clear consistency between the values (in the sense of established ideals) and practices emphasized in many different spiritual teachings, and the **values** and **practices** of leaders who are able to motivate followers, create a positive ethical climate, inspire trust, promote positive work relationships, and achieve organizational goals.

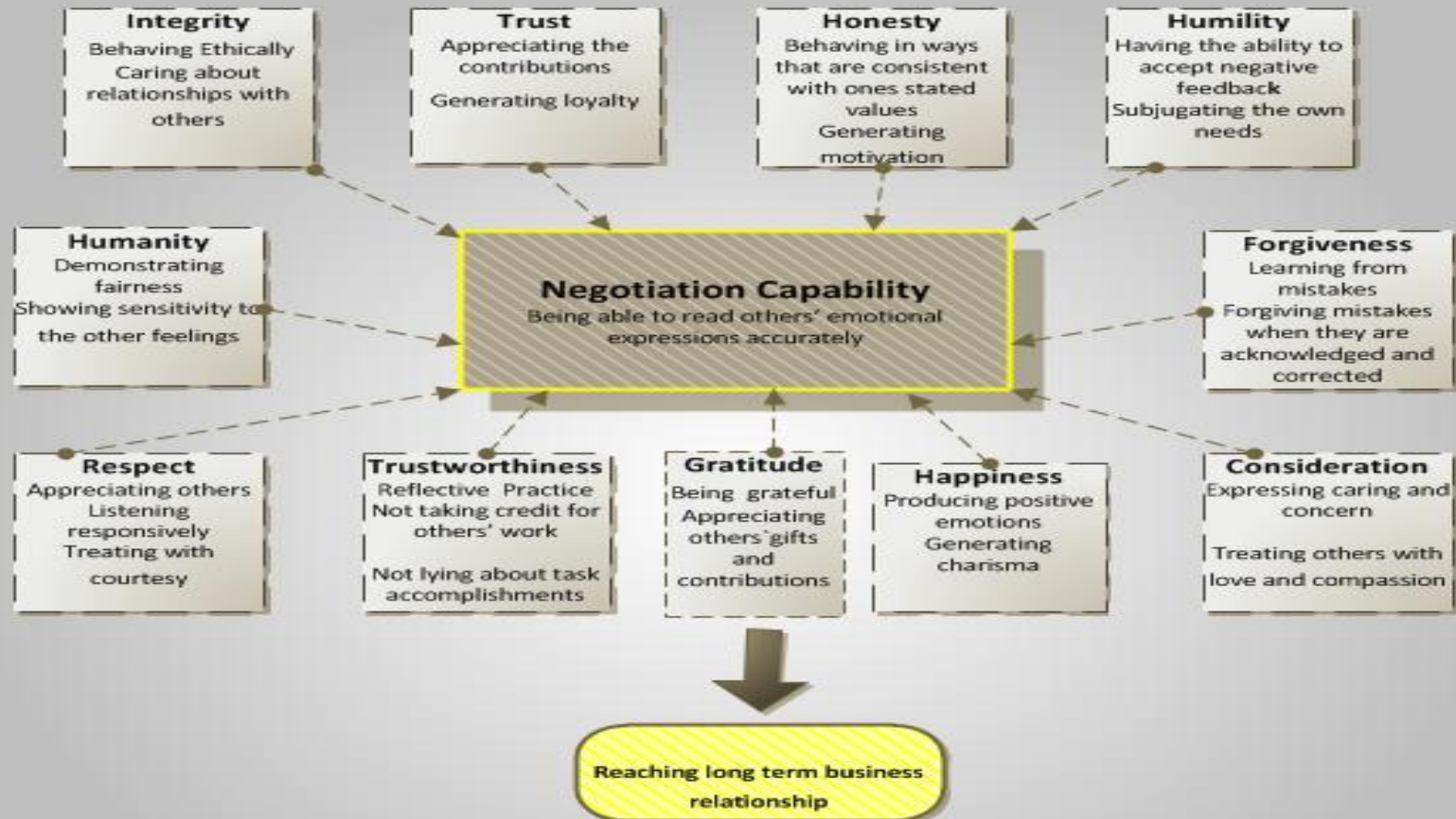
Armenio et al. (20101), believe that to build **virtuous psychological climates**, managers should care about how employees perceive the organization and its managers, paying attention to a number of aspects: (a) a virtuous sense of purpose in the organizational actions and policies; (b) an optimistic perspective toward challenges, difficulties, and opportunities; (c) **a respectful and trustful way of acting**; (d) a high level of honesty and integrity at every organizational level; (e) interpersonal relationships characterized by caring and compassion; (f) the combination of high standards of performance with a culture of forgiveness and learning from mistakes.”

3. Theoretical Framework

The study of **Elfenbein et al. (Elfenbein, H. A. et al. 2007)** about **emotion recognition accuracy**, emphasizes that the emotional expressions of others provide information that we can use to make social interactions more predictable and easier to manage. They also remark that, “**effective negotiating** requires parties to develop an understanding of their counterparts’ interests and preferences, in a context in which such information may be explicitly hidden but implicitly revealed.

Ring and Vandeven (Ring, P. S. & Vandeven, A. H. 1994) suggest that “the institutionalization of a relationship is evident in three basic interactions that evolve over time between formal and informal processes of negotiation, commitment and execution: (a) **personal relationships**, (b) **psychological contracts increasingly substitute for formal legal contracts**, and (c) as the temporal duration of relationships extend beyond the tenure of initial contract agents, formal agreements (e.g., rules, policy, contracts) increasingly mirror informal understandings and commitments.”

4. Process of construction of negotiation capability



Process of construction of negotiation capability

Source: Own creation based on Ring and Van de Ven (1994), Reave (2005), Elfenbein et al. (2007) and Rego et al.(2010).

5. 15 values-practices identified in the process of construction of negotiation capability

1. . **Confidence.** This value showed to be the axis for a long term business relationship according to our study.
2. **Gratitude.** The action of appreciating others' help, suggestions and contributions showed to be important for the willingness of collaborators to want to keep contributing in future projects.
3. **Fairness.** The attitude win-win among those working in the same project demonstrated to have a positive impact even when projects were not successful in the end. On the other hand, the attitude of trying to take the credit for the work of others had a very negative impact to the outcome of the negotiation.
4. **Transparency.** To act transparently in a negotiation process regarding the positions of the parties had a positive impact on building confidence.
5. **Integrity.** The act of trying to circumvent had a very negative impact in the negotiation process and it was not accepted by the decision makers observed in our study. However, being kept up to date via copies of e-mails, or actualized about the process of the negotiation by partners or collaborators, had a very positive impact in inspiring trust.

5. 15 value-practices identified in the process of construction of negotiation capability

6 Honesty. It was noted a great acceptance for being honest towards ones strengths as well as ones limitations .

7.Consideration. Caring about partners and collaborators was also positively perceived.

8.Happiness. The action of smile and being positive demonstrated to produce positive emotions during the negotiation process.

9.Trust. Contracts were showed to be important; however it was demonstrated not to be a guarantee to building a long term business relationship which was observed to be based in the “good feeling”, the trust and the confidence established between the parties during the negotiation process.

10.Humanity. Treating collaborators, partners and subordinates in a respectful and sympathetic way, was positively perceived.

11.Humility. Thinking in general other than in self, accepting learning from others as well as accepting negative feedback showed to also have a positive impact for facilitating the negotiation process.

12.Ethics. It was observed that it takes time and effort to establish a good and solid reputation and that it is fast to spread a bad one. Behaving ethically showed to be very well appreciated.

13.Accuracy. The ability of recognizing emotions and roles during a negotiation process showed to be a strong negotiation skill.

14.Forgiveness. The ability of acknowledging mistakes and learning from them was observed to be well regarded.

15.Sincerity. All of the previous practices were observed to have a positive impact if they were aligned with ones values. Acting Machiavellian showed to have a reverse effect.

6. Summary and suggestions for future research

Probably the most important finding of our study for negotiators, such as leaders and decision makers, is that the key to negotiation success is quite straightforward: obtain the trust and confidence of partners and collaborators. However, this is only possible to achieve if the small details of the everyday business relationship are cared for, like for example, attitudes like being friendly and empathic, by demonstrating high integrity, by being socially intelligent, well prepared, and/or knowledgeable in the relevant field of negotiation in question; and also being willing to take a win-win approach.

Ramifications of our study for research could focus on demonstrating in terms of measuring outcomes, the impact of the spiritual values and reference practices for long term business relationships and their consequence in the economic performance of the organizations. Additional research could focus on identifying bad practices applied by the decision makers during the negotiation process and their impact in the organization.

Thank you!

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