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## PREFERRED NEGOTIATION STYLES: A STUDY OF TOP AND MIDDLE MANAGERS IN THE SULTANATE OF OMAN

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### Abstract

The study identifies the preferred negotiation styles of top and middle-level Omani managers and the process they follow when negotiating. Semi-structured interviews were used to collect data. The findings suggest that the majority of Omani negotiators apply the integrative approach because they are considerate to the objectives, needs, priorities, and preferences of their counterparts and seek to maintain long-term relationships with them.

**Keywords:** negotiation styles, integrative negotiation, distributive negotiation, Oman, negotiation process

**Topic Groups:** International business, Managerial and organizational cognitions and psychology, Organizational behavior

## INTRODUCTION

As defined by Thompson (2000), negotiation is "an interpersonal decision-making process by which two or more people agree how to allocate scarce resources" (p .2). Negotiation is also used for collaboratively resolving conflicts by exploring the range of alternatives available and acceptable to the parties. For these reasons, negotiation has become an essential aspect of organizational life. Within corporations, leaders negotiate with their subordinates (Dansereau, Graen, & Haga, 1975), committees negotiate when managing complex organizational issues (Benson & Hornsby, 1988; Gronn, 1985), and heads of divisions negotiate with their peers (Chalos & Haka, 1990). Similarly, executives negotiate both hierarchically and laterally to balance the frequent demands that lie on their shoulders (Rand, 1987). Managers devote 20% of their time to negotiation and most likely this 20% impacts the remaining 80% of their activities (Byrnes, 1987). Therefore, the importance of understanding negotiation and negotiation styles cannot be underestimated.

Recent research highlighted the fact that the ways negotiations are conducted differ across the globe. These dissimilarities are due to the fact that negotiators from different countries may have divergent visions, ideologies, and differing cultural orientations (Brett, 2001). Every culture has its own distinct identity defined by the behaviors of its members, their mindsets, backgrounds, and distinctive communication patterns which affects their negotiation styles (Wall & Blum, 1991). The purpose of this study is to identify negotiation styles of Omani managers and describe the processes they follow when negotiating.

## THEORY

Numerous studies explored negotiation styles used by managers in many countries including Japan, and China (Chen, 1993). However, there have been no empirical attempts to investigate negotiation style and practices in the Sultanate of Oman. Over the past several decades the Sultanate has seen a remarkable economic growth achieved through a successful collaboration of local workforce and expatriates. Because the local business environment has grown to become truly international, there is an urgent need to examine what styles are typically employed by Omani negotiators. The purpose of our study is to contribute to negotiation literature by examining preferred negotiation styles of top and middle-level managers in Muscat metropolitan area, Sultanate of Oman.

At the first stages of a negotiation encounter, participants try to clarify the goals, identify conflicting issues, and seek mutually advantageous solutions that are acceptable to both parties. In order to generate reciprocally beneficial solutions, participants structure the issues and develop alternatives to resolve problems through discussing offers and counteroffers or by offering alternatives to attain mutual gain. After participants have developed all possible solutions, they agree on the one "best option". This requires establishing a set of rules jointly agreed upon by all parties. If for any reason such rules do not exist, the merits of various alternatives will be inconsistent (Boehm, Grunbahcer, & Briggs, 2001).

Depending on the nature of the conflict and the issues at hand, different negotiation strategies and styles can be adopted. Generally, there are two distinct styles of negotiations in Oman: integrative and distributive. Distributive negotiation is a competitive interaction between the parties as each side tries to claim the maximum amount of valuable outcomes at the expense of the other. It is a zero-sum situation in which, if one party gains, the other loses (win-lose situation). As a consequence, when one party develops an alternative which is more attractive than negotiating with a current counterpart, there is often less concern

about reaching an agreement. This means the party with less bargaining power is usually more motivated to reach a settlement even if the terms are not optimal (Holbrook, 2010). Because of its nature, distributive negotiation is more likely to occur between the parties which do not expect to have a relationship in the near future or between those who has never had one before. This affects their processes of sharing of information and communication. The accuracy of shared information regarding objectives and interests, thus, tends to be low. For instance, distributively engaged parties may give incomplete, inaccurate, or misleading information and might even intimidate the other side with threats.

According to Holbrook (2010), the process of distributive negotiation is as follows: each side has a negotiation range with a target point, a starting point, and a stopping point; however, they do not disclose their target or stopping points to each other. To limit the other side's expectation in regards to the negotiation range, one party may choose to be the first to make an opening offer. After the parties have disclosed their starting points, they typically expect to go back and forth in the bargaining process as one party gives an offer and the other introduces a counteroffer until they come to an agreement, or reach a deadlock. In this sequence of making offers and counteroffers, parties are forced to adjust their positions, which narrows the negotiation range. During this type of negotiations, each party has the ability to infer their counterpart's target point because the difference between the target and starting points will eventually become discernible. Therefore, if negotiators are capable of discovering the other side's stopping point, they will gain a strategic advantage. Some ways of ascertaining the counterpart's stopping point is by giving inaccurate information about one's own stopping point, manipulating the relationship through threats or flattery, or by putting pressure on the other side to make unintended concessions or commitments. Another way to find the counterpart's stopping point is by identifying their BATNA (Best Alternative to a Negotiated Agreement) because that is the point at which they would probably stop bargaining and exit negotiation.

In contrast, integrative negotiation occurs when the parties believe they can create mutual gain, which makes the negotiation a non-zero-sum, or a win-win, situation. Hence, the main objective of integrative negotiation is to create value for both parties by coordinating the use of the available resources and/or trying to identify the new ones. As a consequence, integrative negotiation requires both parties to recognize their mutual goals, bring their interests to the surface, generate alternatives, and then choose the best alternative that maximize the outcome for all parties. This means that negotiators need to set aside the less significant issues and interests, and concentrate on the most important ones. As Holbrook (2010) states, parties must be engaged in problem solving to reduce the interpersonal conflict and be able to work in a cohesive, cooperative atmosphere. Due to the collaborative environment between negotiators in the context of integrative negotiations, there is a flow of accurate and reliable information; and sharing of interests, priorities, needs, and wants.

## **METHODOLOGY**

The research methodology was based on a qualitative approach. We used semi-structured interviews to collect data from a group of top and middle managers in Muscat metropolitan area, Oman. The interviews were transcribed *verbatim* and analyzed for recurring and unique themes related to preferred negotiation styles and negotiation process used by Omani managers.

## **FINDINGS AND DISCUSSION**

The results indicated that more than half of the Omani managers show great concern not only about their own but also about the other party's interests, needs, priorities, and preferences. They strive to ensure that all parties get the best possible outcomes and everyone wins. They also tend to be interested in developing and keep long-term relationships with the other party. Omani negotiators achieve this by being considerate of all that matters to their counterpart and by viewing them as partners rather than rivals. The prevalence of the integrative negotiation style is due to the fact that Oman is a collectivistic culture and managers seek to cultivate a positive image of their organizations by getting the best deal for everyone.

We also found that slightly less than 30% of the Omani managers use a combination of both styles. To illustrate, Omani negotiators switch between the integrative negotiation and distributive bargaining depending on their negotiation position. If they are in a position of power, they pursue a competitive negotiation style. By setting their own demands and putting pressure on the other party they strive to achieve what they consider as most beneficial to them. However, if those managers are not in a position of power, they use a collaborative style to reach an agreement. Some of the interviewees also stated that they use the integrative style when they negotiate inside their organizations, but shift to the distributive negotiation style when they deal with someone from outside their respective institutions.

### **The Negotiation Process**

Since the majority of Omani managers tend to use the integrative style, we explain only this process in terms of planning, interpersonal relationship building, exchanging task-related information, persuasion, and agreement.

#### ***Planning***

Omani managers tend to begin their negotiations by gathering all necessary information, clarifying their objectives, and generating as many alternatives as possible. Because the majority of the managers prefer to use the collaborative negotiation approach, they seek to identify common grounds with the other party before considering the differences between them.

#### ***Interpersonal Relationship Building***

Omani managers not only reveal the vital information about themselves. They also try to encourage their counterparts to share information about their objectives, priorities, preferences, needs, and wants. This is taken into consideration when establishing long-term relationships with each other.

#### ***Exchanging Task-Related Information***

All of the interviewees referred to transparency as one of the major factors for successful negotiations. For example, they share information with the other party as much as possible to reach an agreement which is satisfactory for both parties. Interestingly, Omani negotiators strive to do so even though some would prefer to keep the level of mutually shared information to a minimum. This is an indicator that Omani negotiators try to reach an agreement that best suits all the parties by maintaining a reasonable level of information exchange.

### **Persuasion**

Omani managers appear to have good communication and problem solving skills, which they use to understand their counterpart's negotiation position, objectives, needs, and priorities. By developing a clear understanding of these issues, they manage to persuade the other side to follow a course of action which leads to maximization of joint gains.

### **Agreement**

Most of the interviewees stated that they like discussing one issue at a time. After they have finished discussing a particular issue, they move on to discuss other important issues and this allows them to stay focused and attain best outcomes for both parties.

## **CONCLUSIONS AND IMPLICATIONS**

This paper defined negotiation as a process of resolving conflict and distributing resources between two or more parties. We discussed two types of negotiation: integrative and distributive. Distributive negotiation approach assumes there is a zero-sum situation in which for one party to win and the other must lose. In contrast, integrative negotiation approach is non-zero-sum view which ensures all parties attain satisfactory outcomes. Each negotiation approach is characterized by a specific process followed by negotiators. For instance, a distributive negotiation process requires parties to decide on a target point, a starting point, and a stopping point. This is followed by a bargaining phase until the parties reduce the distance between their starting and target points and reach an agreement that is in the best interest of a more powerful party, or reach an impasse. In contrast, the integrative negotiation process starts by building a common ground between the parties and attempts to understand the objectives, interests, needs, wants, and priorities of each other. Then, alternatives are generated and the one that best serves the interests of both sides is chosen and implemented.

Considering the Omani context, it has been found that the vast majority of Omani managers prefer using the integrative approach. The motivation underlying this preference is the desire to build long-term relationships with the other party, and achieving the best possible outcomes for all involved. Because Omani negotiators use the integrative style, they are transparent with each other, considerate of each other's objectives and priorities, and seek to find the best possible outcomes for themselves and the other party.

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