

## **Balancing the Paradox Between Cooperative and Competitive Negotiations**

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**Deepak Narasimham**  
**Georgia State University**

**Abstract:** Negotiations, whether domestic or international, are multidimensional and complex. Interactions between people, especially when monetary items are negotiated, are unpredictable. This class has taught me to look beyond the obvious while negotiating complex deals. Furthermore, understanding what each party's definition of success in a negotiation is different from what is observable.

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#### **My view on balancing the paradox of cooperation and competition?**

According to the Merriam-Webster dictionary, “cooperation is the process of working together to the same end. In other words, cooperation is synonymous with collaboration, working together, joint action, or combined effort. Whereas competition is defined as rivalry between parties, competitiveness, vying, contesting, and opposing. Finding a balance between cooperation and competition during negotiations is a dynamic process. From what I learned in class, tailoring my approach to negotiation either a cooperative or competitive bias depending on my adversaries’ temperament, tone, and personality will more likely lead to a win-win outcome. For instance, in a class negotiation with another student, I took the competitive approach since my negotiating adversary acted assertively by not revising their reservation price closer to my reservation price. The deviation between my reservation price and her reservation price was more than 200%. From empirical evidence it is customary in negotiations to start at least at 50% ad valorem of the actual settlement price. Conversely, in a negotiation with another classmate, her personality and temperament made it much easier to approach the situation cooperatively. Cooperation is preferred to competitive approaches to negotiation. For example, in my negotiation with Aneta Wysocki, she helped me see this fact by outwardly pointing out that we will have to continue working together long-term, so keeping the salary negotiation will help maintain a positive working relationship.

#### **What have I learned in the class on International Negotiations?**

According to a Harvard Law School program on negotiation daily blog, “distributive negotiation, though less complex than integrative negotiation, requires thorough preparation. By assessing our BATNA, reservation point, and other key measures, we can arrive at a better sense of how high we can aim—and when it’s time to walk away.” During my negotiations with classmates on the different exercises, I was able to apply negotiation theory into practice. Finding the best alternative(s) to negotiated agreements is a dynamic process. For example, in a negotiation with

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a classmate on a salary negotiation, I understood that each party's definition of success and winning is different.

Another negotiation technique I learned is using multiple offers to negotiate the best alternative(s). For instance, while negotiating a case with a student, the issue was salary compensation. Part of the compensation was a stock option (Which was difficult if not impossible to place monetary value). The negotiation strategy had a favorable outcome because the negotiating adversary felt like she was winning, while simultaneously, I felt I was winning by saving my stock options. Our mutual perceptions of stock options' monetary value were different enough for her to turn down all stock options in exchange for her requested salary. Moreover, the percent difference between my reservation price and her reservation price was less than about 30%. Not only did we arrive at an optimal win-win scenario, but we both also felt like we "won".

### **My own Strengths and Weaknesses?**

Leveraging emotions during negotiations is a key weakness I would like to work on. While it is counterintuitive that appealing to emotions hampers negotiations, one of my goals is to continue learning how to use emotions in negotiations to overcome hurdles strategically. One of weaknesses is not showing enough emotion in negotiations.

Another key strength of mine is the ability to not to blindly follow only one negotiation style. Even prior to taking this class, I used to like vacillating back and forth between competitive and collaborative techniques. "Be careful not to collaborate with competitive style negotiators – unless they agree to and live up to your agreed (written or unwritten) rules of collaboration. Die hard competitive negotiators can be treated in transactional trading manner - e.g. "I'll only give you this if you give me that"" (Coburn, C., 2010). On the contrary, while it may be intuitive that regressing to only one negotiation technique is optimal, in my "real-world" negotiations in M&A, the die hard approach actually does work better than the cooperative approach. While the theory suggests not to gravitate towards only one style of negotiation, what I learned from practical experience is I subconsciously use the negotiation method which, most often, resulted in a favorable outcome.

### **Specific goals for continued improvement of your international negotiation skills.**

Preparing for negotiations better than my adversaries and continuing to learn about corporate cultures in other countries on an ongoing basis are two of the primary areas I would like to improve. A weakness I have is assuming that international parties understand the American Corporate Culture and norms.

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### **What have I learned about myself as a negotiator?**

A paradox I learned about myself is that I am actually a better listener than I thought I was. In casual non negotiating situations, I tend to interrupt others a lot. I have been told many times by my acquaintances, friends, and family that “I should be a better listener and do less interrupting.” However, in a professional negotiation I am actually very strong at active listening. From empirical evidence in my own negotiations, I have actually negotiated better outcomes than my peers.

### **What do I need to continue to work on?**

The major areas that I need to work on are improving my cultural intelligence, becoming more creative, exploring value creating options, and refining my ability to dynamically blend negotiation forces between cooperative and competitive techniques.

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