

The Art of Emotional Intelligence in Negotiation

In a world where procurement professionals receive a barrage of information, the ability to create a bridge of mutual understanding with suppliers is becoming increasingly important and more difficult

Communication displays itself in many forms, for example, Emotional Intelligence (EI), body language, tonality of voice, eye cues, and facial expression. All will have an impact upon your communication and negotiations with suppliers. This article is based on the only research undertaken on EI and procurement, conducted by Andrea Reynolds and is an adaptation from Andrea Reynolds' publication titled 'emotional intelligence and negotiation' and will explore EI and its contribution to negotiation.

Emotional Intelligence

According to Andrea Reynolds, author of a publication titled 'Emotional Intelligence and Negotiation', Emotional Intelligence is becoming one of the hottest topics in business today.

As negotiation between Procurement professionals and suppliers centres on person to person exchanges EI will not only help the procurement professional to manage the process of negotiation but it stands to reason that the more effective you will become at negotiation the better the outcome will be.

So what is Emotional Intelligence?

EI has been round for over a decade, however, still relatively new in a business application, but recognised by senior executives as an important behavioural model and a key contributor to individual and business success.

Dr Daniel Goleman Ph.D, a psychologist and international business consultant who's contribution in the field of Emotional Intelligence has popularised the concept defines EI as:

- Knowing that you are feeling and being able to handle those feelings without them swamping you;
- Being able to motivate yourself to get the jobs done, to be creative and to perform at your peak;
- Sensing what others are feeling and handling relationships effectively ¹

Goleman's basic premise is:

"For star performances in all jobs, in every field, emotional competence is twice as important as purely cognitive abilities. For success at the highest levels, in leadership positions, emotional competence accounts for virtually the entire advantage ²"

Through further development of EI many models have emerged that measures many behavioural elements, for the purpose of this article we will concentrate on just seven of them that were researched by Professor Higgs and Andrea Reynolds in the Henley working paper Emotional Intelligence in Purchasing titled 'Do Purchasing Professionals Need Emotional Intelligence?' (2002).

Through the pioneering research; Higgs and Dulewicz have developed an EI questionnaire (EI-Q) which is achieving the reputation as being one of the most reliable within its field.

The tool that has been developed measures individuals Emotional Quotient (EQ) comprising of the following EI elements and their definitions: -

- Self Awareness. The awareness of your own feelings and the ability to recognise and manage these.
- Emotional Resilience. The ability to perform well and consistently in a range of situations and when under pressure
- Motivation. The drive and energy which you have to achieve results, to balance short and long term goals and to pursue your goals in the face of challenge and rejection.
- Interpersonal Sensitivity. The ability to be aware of the needs and feelings of others and to use this awareness effectively in interacting with them and arriving at decisions impacting on them
- Influence. The ability to persuade others to change their viewpoint on a problem or issue
- Intuitiveness. The ability to use insight and interaction to arrive at and implement decisions when faced with ambiguous or incomplete information.
- Conscientiousness and Integrity. The ability to display commitment to a course of action in the face of challenge, to act consistently and in the line

Now we have established the concept of EI, how does this impact the negotiations we undertake with suppliers?

EI and Negotiation, the application

Negotiation is one of the activities undertaken by procurement professionals that spans the whole procurement process and beyond. However, we will now focus on 3 stages of negotiation and explore how each of the EI elements listed above appear and the required level of EI needed to be successful at each stage and how they interact at each of the three stages.

¹ Source: Emotional Intelligence and Negotiation by Andrea Reynolds

² Source: Emotional Intelligence and Negotiation by Andrea Reynolds

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Step 1 Explore and Probe

The explore and probe stage of any meeting with a supplier is likely to happen at a very early stage within the procurement cycle and likely to involve exploratory discussions. The objective for any procurement professional at this stage is to control and guide the meeting, ensuring that all the relevant information has been obtained. This will enable the procurement professional to test assumptions and continue to condition the expectations of the supplier subtly in the process.

Table 1 below ³

El Element	Activity	El Level Required
Self Awareness	Have a positive outlook and attitude on the meeting	Medium
Emotional Resilience	Be consistent with your performance throughout this phase of the negotiation	Medium
Motivation	Keep consistent focus on obtaining your objectives	Medium

El Element	Activity	El Level Required
Interpersonal Sensitivity	Actively listen and acknowledge views of the other and interpretations of the other party	Medium
Influence	Shape and guide the investigation to enable you to set conditioning strategies for later discussions	High
Intuitiveness	Know when you have enough information to achieve your objectives so that the process can move to the next stage	High
Integrity	Be ethical when extracting information from the negotiation	Medium

Step 2 The Negotiation

We have already determined that negotiation exists throughout the whole procurement process, however what is discussed will differ depending on what activities have been completed and what are yet to be completed. However as the meeting manifests, this step in the process will need heightened EI levels amongst all EI elements.

Table 2 below

El Element	Activity	El Level Required
Self Awareness	Be aware of, influence and manage the feelings created by both parties in a negotiation	High
Emotional Resilience	Be able to put any knock backs aside and concentrate on moving forward	High
Motivation	Have the drive and enthusiasm to succeed and 'win through' the negotiation	High

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El Element	Activity	El Level Required
Interpersonal Sensitivity	Understand the other parties' personal state (emotions), and consequently build a shared vision and joint obligation to ideas in the negotiation.	High
Influence	Win over others to change a viewpoint in the negotiation.	High
Intuitiveness	Carefully consider your intuition when faced with incomplete or ambiguous information during the negotiation	High
Integrity	Ensure the negotiation is managed ethically and with personal commitment empowered by the organisation.	High

Step 3 Negotiation Closure

It is important to know when to close the deal. The outcomes of the negotiation will affect both sides psychologically. It is important to reflect positively on the results. This will enable the momentum to be continued into the implementation phase. This will provide clear direction for all concerned; to harness this commitment varying levels of EI will come into play.

Table 3 below ⁴

El Element	Activity	El Level Required
Self Awareness	Disguise positive and negative emotions that the negotiation generates inside you.	Medium
Emotional Resilience	Be able to maintain the negotiation in the face of any negative responses	High
Motivation	Analyse your personal performance and reflect on the positive aspects	Medium
Interpersonal Sensitivity	Understand how the other side wants to move	High

El Element	Activity	El Level Required
Influence	Ensure points of agreement are, captured and summarised and pushed through to delivery	Medium
Intuitiveness	Consider if any further information would have impacted on decisions made	Low
Integrity	Institute a transparent and thorough approach to priorities and create an allegiance to the project going forward.	High

In Summary

It is clear Emotional Intelligence is required in all stages of negotiation; however, some stages of the negotiation will require the application of different levels of the EI elements. One observation that has occurred that all elements of EI discussed in this paper will need to be heightened. Knowing your own EI profile at each stage is integral to personal effectiveness in negotiation.

⁴Source: Adapted from Emotional Intelligence and Negotiation by Andrea Reynolds