

Thematic Review:
**The Relevance of Emotional Intelligence (EI) in
Negotiation, and its Application in Local Body Settings**

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October 2009

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Introduction

Viewed by Mayer and Salovey as one of the *“three components of the mind (cognition, affect and motivation)”* (as cited in Ogilvie & Carsky, 2002, p. 384), the concept of “emotional intelligence”, or EI, made popular by Daniel Goleman (1995, 1998), has developed to the point of having a sound basis such that *“neuroscience makes crystal clear why EI matters so much”* (Goleman, 1998, p. 6). Emotional Intelligence is defined seminally by Mayer and Salovey as *“the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth”* (as cited in Ogilvie & Carsky, 2002, p. 384).

Ogilvie and Carsky (2002, p. 381) explain that recognition of emotion, as an integral part of negotiations, moves the study of negotiation *“beyond early cognitive-focused approaches”* and that the ability to understand emotion in negotiation increases the effectiveness of negotiation. While positive emotion in negotiation has been a focus of study, Ogilvie and Carsky (2002) point out that until relatively recently, there was little published research that specifically examined the emotional processes of negotiation. However, their article and other literature in this thematic review demonstrate that development in this area has occurred. This thematic review provides a background understanding of the study of emotional intelligence and explores the relevance of emotional intelligence in the negotiation process. The scope of this review also includes the application of emotional intelligence to negotiations in local body settings, discussed in the section prior to the conclusion.

Understanding Emotional Intelligence

Describing the components, Goleman (1995) divides EI into four domains: self-awareness, self-management, social awareness and relationship management. This practical approach neatly divides EI into two key components – that of *“self”* and that of *“others”*. Mayer & Salovey, (as

cited in Ogilvie & Carsky, 2002, p. 384) also use four domains, but organise the components slightly differently. The first identifies emotions “*both in self and others*” while the second identifies using emotions “*ability to reason with an emotion*”. The third identifies understanding emotions and “*being able to realize how emotions move from one to the next*”. The fourth identifies managing emotions “*in self and others*”. This approach is slightly more complex in that each domain pertains to both self and others and adds the aspect of how to reason with emotions. The gap between the emotion and the reaction is emphasised and there is an additional element of comprehension of the characteristics of the complexity of how emotions play out.

Goleman (2004) provides a fresher perspective of EI. He compares the EI domain of “*self-awareness*” with Buddhist psychology concepts in a dialogue between Tibetan Buddhist scholars and Western psychologists and scientists. According to Buddhist psychology, forgetfulness or lack of mindfulness is considered to be a mental affliction. This lack of mindfulness is linked to a lack of emotional self-monitoring or self-awareness and is considered to lower emotional intelligence. Goleman explores the possibility of being able to reduce this forgetfulness and expand this awareness to the moment of the recognition of the emotion, rather than awareness once the emotion takes grip of one’s actions. This explanation gives more potential to the potency of training for EI, as one has more options for how to respond to the emotion at hand, such as in the heat of a negotiation.

Emotional Intelligence and the Negotiation Process

This section explores the broader perspectives of EI in its application to negotiation processes; a relatively new field in itself and precedes the following section which more directly applies the learning from the application of EI in negotiation to local body settings.

The concept of EI is relatively new in its relevance to the communication process of negotiation, where cognitive aspects have previously been the main focus of study (Ogilvie & Carsky, 2002). Scholarly publications (Lewicki, Barry, Saunders & Minton (2003) and Thomson (2001), both cited in Ogilvie & Carsky, 2002); Fisher and Shapiro, 2006), have paid more explicit attention to the emotional components of negotiation rather than the previous focus on cognitive aspects.

As proposed by Petty and Cacioppo's *Elaboration Likelihood Model of Persuasion* (cited in Gass & Seiter, 2007), EI functions primarily through the peripheral rather than the central route of negotiation. Signals are used that are not necessarily part of the main cognitive core but which have a significant impact on a negotiation. Noting that negotiation typically occurs when there is conflict and that conflict cannot be free of emotion or anxiety, emotions are regarded as key elements in the negotiating process (Bodtke & Jameson, 2001; Greenhalgh, 2002; Kumar, 1997, as cited in Ogilvie & Carsky, 2002).

Goleman, Boyatzis and McKee (2003) note that positive emotions are helpful in negotiations, suggesting additionally that playfulness can improve the chances of gaining successful financial concessions in negotiation. Ogilvie and Carsky (2002) outline how negotiations inevitably provide conflict situations, causing a variety of strong negative emotions, which, if not managed, can reduce trust and lead to behaviours of retaliation thereby impeding progress. They explain that negotiators who recognise and take action around the emotional responses in themselves and others have more information and effectiveness for negotiation than those who do not. Adler, Rosen and Silverstein (1998, p. 177) propose that the two critical emotions in negotiation are fear and anger and discuss how to manage these emotions. The first necessity is to be aware of the emotions and on how to manage them, *"we may be either slaves or masters to them – with varying consequences"*. Boyatzis and McKee note that *"when the comparison matched star performers against average ones in senior leadership positions, about 85% of the difference in their profiles was attributable to emotional intelligence factors rather than to purely cognitive abilities like technical expertise"* (as cited in Tweedy & Wright, 2006, p.1). Therefore, EI is considered to be an important asset for negotiators and some have a higher ability with EI than do others.

In addressing the question of whether it is possible to improve on EI, Ogilvie and Carsky (2002, p. 384) have found that with suitable training to develop greater awareness, understanding and management of emotions, EI can be improved before and during the act of negotiation so that *"negotiators who recognize emotional responses in themselves and others, will be better able to understand the reasons for responses, and may achieve better outcomes in negotiations"*. Fulmer and Barry (2004, p. 255) investigate the role of intelligence, including EI, in various aspects of negotiation. They suggest that *"beyond increasing the ability to perceive emotion in*

others, emotional intelligence may also reduce the likelihood that one's own emotions will interfere with accurate perception of information in a negotiation".

Fisher and Ury (1986, p. 41-57) describe a detailed process of how to manage the emotions of negotiation by focusing on the *"interests"* of the parties which *define the problem* as opposed to *"positions"* of the parties which have a propensity for charging negotiations with conflict. Fisher and Shapiro (2006) elaborate further with an examination of the *"five core concerns"* which need to be addressed to enable appropriate management of emotions in negotiation: (1) appreciation, being the acknowledgement of thoughts feelings and actions as important; (2) affiliation, being the treatment of oneself and others as colleagues rather than adversaries; (3) autonomy, being the recognition of the freedom of each party to decide what is in their control; (4) status, being the respect for the standing of oneself and others and recognising that it is due in one area or another; and, (5) role being one's role and that of others in a way that allows fulfilment. Fisher and Shapiro (2006) purport that these five concerns apply to all parties in a negotiation, and present methods by which negotiators can maximise the reality of delivering on the core concerns.

Fulmer and Barry (2004, p. 257) suggest that people with high emotional intelligence will be *"adept at establishing rapport with other negotiators"*. This rapport makes these negotiators more likeable and trustworthy and should lead to more cooperation in negotiation. Thus high EI helps to fulfil two of the three primary dimensions of credibility, those of trustworthiness and goodwill (Gass & Seiter, 2007). Foo, Elfenbein, Tan and Aik (2004) report that people with high EI indicate more positive experiences after negotiation than those with lower EI. However, they also uncovered a significant paradox, in that people with high EI were experts at integrative negotiation and creating more value, but seemed less able to claim this value, leaving this to their counterpart. They suggest that more study is needed in this significant area.

Application of Emotional Intelligence in Local Body Negotiations

A local body is any organisation that exercises public power such as Inland Revenue, the Police, the Fire Service, District Health Boards and even State Owned Enterprises such as Genesis Energy. Local bodies are defined under New Zealand Acts such as the State Owned Enterprise

Act 1986, State Sector Act 1988 and Local Government Act 2002. The relevant Acts outline the controls on the exercise of the power of local bodies under the terms of Administrative Law (Palmer & Palmer, 2004) and define the bodies that are controlled by the Acts. Further, a local body includes any organisation that fulfils a quazi-judicial function such as the Police Complaints Authority (Joseph, 2007). A major element of the work of local body organisations involves high-level interaction with members of the public and with private corporations. This section explores the application and usefulness of EI, as well as the serious negative consequences of not using EI as a negotiation tool, in local body situations.

EI has been heralded as the *sine qua non* of leadership (Goleman, 1998) and, despite its critics, EI research has shown that EI-aware negotiators demonstrate increased success in their interactions (Druskat & Wolff, 2001). With EI providing benefits in a wide range of negotiations and corporate meetings, local bodies would do well to consider adopting EI strategies to benefit inter-community interactions. Kiel and Watson's 2009 review of writings by Professor Newman Guy (2008), argue that taking "emotional labour" (their term for EI) for granted can have dire consequences and that a failure to empathise with and manage emotions during citizen contact events can have negative consequences in terms of finance, morale, productivity and, in the most severe cases, lives (Kiel & Watson, 2009). These types of failures imply heavy costs in the perceptions of local government resulting in negative citizen discourse. Rudeness and disinterest can result in complaints (Kiel & Watson, 2009) and can lead ultimately to loss of time and resource as the local authority puts it right.

Despite limited research in this area, EI has its place among elected officials, although they themselves may be unaware of its influence, through the realisation that community issues are based on people problems and not technical issues (Kiel & Watson, 2009). A review of the 1996 report on law enforcement from the Police Complaints Authority (PCA) notes that there is a clear requirement for the PCA to adopt a focus on the reactive content of its investigation. When dealing with the public for interviews and reporting, the PCA is mindful of the reaction to the sensitive nature of what it is discussing and how the information will affect the attitudes of those involved. In its 1996 report into the death of Trudy Jane Spiers, the PCA had to investigate the issues surrounding Mrs Spiers' psychiatric state of mind. The report demonstrates use of Goleman's EI concept of "mindful speaking" (Goleman, 2001) specifically when referring to

people skills such as active listening and acknowledging of others, and in reference to the psychiatric report which notes "*the very full Report has been read by me, but to retain as much privacy as possible for Ms Spiers no extensive reference is made in this report to the findings*" (Police Complaints Authority, 1996, p. 8). Kiel and Watson discuss another example of the use of "mindful speaking" with a reference to the United States of America's 911 service which describes how operators' emotional skill and control can save lives (Kiel & Watson, 2009).

However, both the United States of America and New Zealand have had their share of incidents where operators have acted without EI perhaps in a mechanical manner or by providing unsympathetic responses, resulting in lives being placed in jeopardy (Kiel & Watson, 2009). In New Zealand, this is demonstrated in a report from the Maritime Safety Authority of New Zealand (2004) when a caller, frustrated with the operator (who seemed more interested in who would take responsibility for calling the rescue helicopter and over who had jurisdiction, than getting the search underway), hung up and called the coast guard over the VHF radio. The report noted that this resulted in the helicopter being ordered from the wrong location which then contributed to the failed rescue and fatality. The Maritime Safety Authority of New Zealand recommended that as the Police are the coordinators of all search and rescue, the operator should have used his power to get the search underway and resolved any issues later. EI provides the skills and knowledge necessary for people in the front lines to act as a situation demands.

EI also has a strong role to play in general day to day interaction with the community. As local government is provided more authority from delegated legislation, it faces increasing demand to resolve issues such as environmental impact, Maori participation and approval, Maori shared governance, and Treaty of Waitangi obligations. Successful implementation of EI in these situations should provide for smoother interaction. By taking into account the pathos, religious, and cultural beliefs of Maori, local authorities will be better able to find common ground for the future. Fulmer and Barry (2004) suggest that EI may reduce the likelihood that one's own emotions will interfere with accurate perceptions and information during negotiations. They further suggest that this rapport strengthens the position of trust leading to better cooperation during negotiations. This could then have the added effect of placing the parties in a position to

have a positive focus on the outcome rather than focus solely on the opponent thereby reducing the possibility of conflict.

Goleman et al (2003) describe aspects of the role of EI in a team environment. EI-aware teams are shown to be more successful in business, demonstrating stronger relationships and finding more job satisfaction. In local body type meetings, EI can provide a buffer zone to assist members address issues in a neutral way. These issues can be the central discussion rather than being framed in a way that creates insult or intolerance (Hackman & Johnson, 2009). This in turn can lead to a positive increase in team performance (Aslan, Ozata, & Mete , 2008) with the overall outcome being less micro-management and less cost for the local body.

Recent studies have found that group performance, such as in a local body setting, is higher when the aggregate EI is high (Jordan & Troth, 2004; Offerman, Bailey, Vasilopoulos, Seal & Sass, 2004). These studies also demonstrated that integrative tactics were more likely to be used in such groups. Druskat and Wolff (2001) outline evidence from several large American companies such as Hewlett-Packard, to show that high EI is at the heart of such successful teams, where good relationships, mutual trust, group identity and a sense of group efficacy are established. Having investigated the effects of group EI on team effectiveness in the health field, Aslan et al (2008) found that group EI has a positive effect on team performance and that higher EI creates positive energy and emotions which, in turn increase co-operation, group trust and efficacy; all important contributors to the functions of organisations such as local bodies.

Conclusion

This paper has reviewed significant examples of literature to explore and illustrate the theme of emotional intelligence in negotiation with application scenarios from local body environments. The increasing development of research into the field of EI in negotiation, while not unanticipated, is interesting, given the demonstrated significant impact of emotions on any human to human interaction, particularly in negotiation where, as pointed out by Ogilvie and Carsky (2002), conflict is inevitable. The literature researched has identified reasonably consistent definitions of EI and a unified acceptance and support of the use of EI to improve satisfaction and outcomes in negotiation. Literature, with a particular focus on the application

of EI to local body negotiation, was sparser than that in relation to generic functions of organisations such as leadership and team-work. However, there is a significant body of evidence to suggest that EI should be considered an integral part of negotiation training in organisations such as local bodies, for the ultimate benefit of the public at large.

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