Effective Business Negotiation Strategies
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Abstract
This article aims to discuss effective strategies for business negotiation from the aspects of how personal psychological factors and communication factors act in the process of negotiation. The authors analyze how real-life functions illustrate each aspect’s practical application and emphasize the importance of each element used during the negotiation process. From the information gathered, the authors offered four recommendations for a successful negotiation from the aspects of emotion control, psychological methods, verbal and non-verbal strategies.

Keywords
Business negotiation, Psychological, Communication, Verbal, Non-verbal.

1. Introduction
Business trades among countries increase rapidly under the globalization. Thus, the importance of business negotiations is increasingly stressed since the outcomes can directly affect the global reputation, profitability, development, and prosperity of companies. Therefore, to ensure ideal negotiation outcomes, it is essential to apply appropriate and targeted strategies during negotiations to improve the efficacy. By studying real business cases and summarizing past empirical observations, our work proposes four negotiation strategies recommendations for negotiators from psychology, verbal, and non-verbal communication.

2. Psychology in Business Negotiation
Understanding psychological ways are useful in improving business negotiations. When it comes to the psychological aspect, the role of individual emotion during a negotiation process is inevitably to mention. This section emphasizes the importance of emotion by using examples of how psychological methods benefited companies during the negotiation process to support the main focus.

2.1. How Emotions Can Affect the Success of a Communication
According to Brook, researchers have begun examining how specific emotions can affect the behavior of negotiators[1]. Emotions such as anxiety should be avoided at all costs during negotiation. Anxiety can create threatening stimuli which tend to make negotiators feel
uncomfortable and generate the sense of fleeing during the negotiation. Therefore, avoiding anxiety is necessary for successful business negotiation.

Emotion of anger can also pose a danger in business negotiations. Anger is a negative emotion that is usually directed towards someone else. According to Brook, anger reduces joint gains, decreases cooperation, intensifies competitive behavior, and increases the rate at which offers are rejected[1]. Management of anger can also ensure that negotiations are productive. Besides, when disappointment is handled, negotiation can be promising and successful. During negotiations, people should not let their excitement emotions make their counterparts have a sense of disappointment and failure. Instead, harmonious atmosphere and kindness should be used to increase the chances of negotiating. Therefore, being considerate will ensure that one does not view the other as losing during negotiations.

2.2. How Safety Can Affect the Success of the Negotiation

Sense of security is the fundamental premise during negotiation. It not only assists the negotiation progress but enhances one's potential of taking risks when staying in a safe atmosphere[2]. Feeling safe also allows negotiators to establish indestructible relationships and receive or share attributes that create happiness[2]. Thus, this feeling promotes negotiators to relax their vigilance and comfortably share information that is beneficial for the deal-making process.

For example, since the essence of human nature that people tend to make fewer commitments to others to take less responsibility, so the fear of commitment is a defensive, protecting method[3]. Fearing of committing will create a negative outcome of negotiation even with a simple commitment like having an agreement. Since saying yes will be unconsciously considered as committing by people.

2.3. How Respecting Can Affect the Success of the Negotiation

Respect is a necessary element during negotiation. Respect tends to create a harmonious atmosphere where if one treats the other with respect, the others tend to respond with respect[4]. The negotiation can only go on with respect from both sides because both sides are considered equal during the negotiation process. The application of mirroring strategy illustrated this idea clearly. According to Robinson, Segal and Smith[5] “You'll make the person feel heard and understood, which can help build a stronger, deeper connection between you” that the “mirroring” strategy means showing respect to the other side by repeating the other side’s last several words and having a curious tone to imitate others to continue talking.

3. Communication in business negotiation

Psychology helps explain an individual’s thought process during a negotiation. This section will examine the application of verbal and nonverbal communication during business negotiation and the reason why communication matter significantly during a business negotiation.

3.1. Verbal Communication

Verbal communication is the primary tool for negotiators to understand each other's intent since it’s the most straightforward way people share their thoughts and ideas. However, verbal communication is not just about conveying superficial thoughts through words. Instead, it is a kind of art that requires professional skills and practices to reach a satisfying conclusion.

3.1.1. Pronoun Choices

The use of pronouns that negotiators choose during negotiation can have a dramatic effect and imply whom they represent. The most common pronouns used in negotiation can be divided into two big groups: singular pronouns (like "I" and "me") and plural pronouns (like "we," "us," and "our team").
Plural pronouns are commonly used during negotiation. In this case, people represent a group or an organization because plural pronouns will reduce the importance of the negotiators and make others focus more on the purpose of the negotiation. Specifically, when the purpose of negotiation is cooperation, plural pronouns can refer to all parties and "foster a sense of solidarity and cooperation[6]" to highlight mutual benefits and suggest teamwork. Research finds out that professional negotiators are likely to use more plural pronouns that include both themselves and their cooperators, which make the cooperators feel included and satisfied during the conversation and create a sense of unity[7].

On the other hand, singular pronouns are only used in certain cases when people emphasize their individuality. Using singular pronouns will set one apart as a leader or boss and clarify self-preference. For instance, singular pronouns are used during salary negotiation a lot for employees to express their expectations and convince the company that they deserve those expectations. Therefore, employees will likely use singular pronouns since they convey their expectations and advantages[8]. However, singular pronouns are sometimes less influential since people are less likely to care about a single person's opinion. Besides, when negotiators use singular pronouns to represent the company, other representatives are likely to think the negotiators do not have decision making power because they can only represent themselves but cannot represent the companies’ decisions[9]. Overall, different pronouns can have different effects and imply various messages during the negotiation process.

3.1.2. Asking the Right Questions

Questions are necessary during negotiation to learn, clarify, and show engagement. A win-win situation usually results from "an interactive, enjoyable, and productive dialogue"[10]. Negotiation is always a back and forth process, so never have one side speak for the entire time, but adequately address other sides and make the conversation interactive. Questions can help the negotiators to clarify any misunderstanding during conversation, and make the negotiators acquire any information they are curious about. By asking questions, negotiators can speculate the information that others are interested in and use more time talking about useful information, which makes the negotiation both more enjoyable and productive. A Harvard Business School experiment shows that among students that exchange the opportunities of asking questions, both sides learn useful information about their partners, and both sides feel heard, which results in a profoundly closer feeling[10].

Nevertheless, questioning does not mean asking any question. Instead, based on the purpose of negotiation, negotiators need to be careful with tones and the information that question is aiming at. Sometimes, questioning might cause misinterpretation and make the negotiators “feel threatened even when no threat was intended[11]” "No one likes to feel interrogated," especially in a cooperating situation, so open-ended questions are "particularly useful in uncovering information or learning something new in relaxed situations. Researches show that close-ended questions "can introduce bias and manipulation." In one study, parents were asked to choose "the most important thing for children to prepare them in life" from a list of options, about 60% of them chose "to think for themselves." However, when the same question was asked in an open-ended format, only about 5% of parents spontaneously came up with an answer along those lines[10]. Therefore, when negotiators are willing to listen to other representatives’ real, in-depth thoughts and set the negotiation in a casual tone to build a relationship, open-ended questions are the most effective.

However, closed-ended questions are as equally important as open-ended questions under intense circumstances. When the purpose of negotiation is to terminate contracts or resolve conflicts, open-ended questions "can leave too much wiggle room, inviting them to dodge or lie by omission"[10]. Instead, closed-ended questions can narrow the answer choices and put negotiators in the dominant position. Closed-ended questions are also used to clarify any points
that negotiators might not understand with a short and concise answer. It also shows other representatives that one is continuously engaged in the negotiation with a question that does not consume a lot of time. Overall, properly formed closed-ended questions and open-ended questions are commonly used during negotiation to make the conversation effective, engaging, and mutual.

3.2. Non-verbal Communication

Non-verbal communication indicates sending and receiving messages without using words, either spoken or written[12]. It is an indirect approach for the business negotiator to share thoughts and ideas with complicated translation and decoding. According to Mehrabian, during a negotiation, 55% of the information is conveyed using non-verbal communications, which illustrate its substantial role[13]. Compared with verbal expression, non-verbal indicators not only create a more realistic impression on the negotiator’s state of mood and intentions[14] but can reinforce the spoken content to better express the demands of the negotiator as an indispensable impulse. The following psychical appearance, body language, and facial language are three essential elements of non-verbal communication that significantly affect business negotiation.

3.2.1. Psychical appearance

Psychical appearance plays a significant role in mutual credibility establishment during a business negotiation. Although some gender biases could be present in expectations for appearance, in general, psychical appearance mainly includes dress, hair, and makeup that plays a decisive role in creating the first impression[15]. Appearance first can reflect the degree of significance that the negotiator conveys to this meeting. The formal and professional business outfit, neat hair, and makeup indicate that the negotiators take this meeting seriously and respect all the attendees. A positive first expression led by appropriate appearance and respect is associated closely with the primary formulation of trust. Moreover, according to Patzer, physical attractiveness is an influential factor in expertise, trust, and liking, which is the determinant of source credibility[16]. In real-life business negotiation, people are more likely to trust professionals who look well-groomed than those who are disheveled, even if the latter is as capable as the former. Meanwhile, the former’s proposal often attached more attention and is more easily accepted when compared with the latter. Evidence from the major international conferences that all the guests were in formal dress with a suitable personal appearance also well-demonstrated the necessity of psychical appearance during business negotiation.

To sum up, physical appearance is a crucial element of successful business negotiations. It not only shows the respect of attendances but also positively fosters the credibility establishment, which helps attain the future mututally satisfactory results.

3.2.2. Body language

Body language is another momentous part of non-verbal communication that assists in increasing the efficacy of significant verbal-information transformation by engaging receivers’ extra attention. Body language here mainly indicates the gesture, which is the expressive movement of a part of the body, especially the hand and head[15].

Gestures are informative because the additional message transferred by gestures enriches the speech and compensates for the verbal expression[17]. Based on psychological research, compared with stationary object, motion onset capture people’s much attention[18]. When it comes to real-life business negotiation, receivers can be distracted by the external environment, the foreign language, or the long speech and miss the points of emphasis. Thus, when it comes to the main information to present, negotiators can apply body movement to catch people’s attention to achieve the propose of giving a special emphasis on this specific information.
For example, negotiators use fingers to indicate the numerical order of the information with the verbal word 'first, second, etc.' The gesture movement acts as a sign to raise receivers' attention, accompanied with the subtext that the following key information will be presented with a numerical way. Although norms for pointing vary by culture, in general, pointing information with a hand gesture during business negotiation can also convey to the audience that "pay attention here, this is the emphasis."

In conclusion, appropriate gesture assisted with verbal content can ensure efficient transformation of significant information, which plays a vital role in improving mutual understanding during the business negotiations.

### 3.2.3. Facial language

Facial language contributes substantially to successful business negotiation. Facial language mainly indicates facial expression and eye contact, which is the most expressive part of the body[15], conveying informative and efficacious information to indicate personal attention and interest. It contributes to mutual trust-building through interpersonal interaction and essentially guides timely negotiation adjustments.

Facial language plays a fundamental role in mutual human interaction during a business negotiation. These are the basic approaches to promote interpersonal connection, helping to build credibility between the presenter and the receiver[19]. Looking at the speakers during the negotiation indicates the respect and attention of the underway negotiation. Also, occasional eye contact between the negotiators signals a sense of binary human interaction, contributing to future credibility establishment. Furthermore, researchers have found that facial language can help people identify emotions with great accuracy[20]. In other words, the correct interpretation of the signals and emotions supports the negotiator in making flexible adjustments and amendments based on the receiver’s facial language during the negotiation. The real-life example can be presenting a business proposal. If the receivers seem confused with knitted brows and quizzical eyes, the speakers can decode this facial language that there might require a re-explanation. Negotiators can then restructure the statement with more detailed information and clarification to ensure the accuracy of mutual understanding, which can positively affect the final business results.

In conclusion, facial language is so indispensable during a negotiation that is positively associated with building trust and assisting the negotiators to control the pace better to improve the efficiency of negotiation.

### 4. Recommendation

**Avoid overheated emotions in negotiations.** When the mood such as anger, disappointment or arrogance that damages the atmosphere of negotiation appears, negotiators can apply self-control methods, including breathing deeply or speaking slowly and pausing more to ease and calm down. Emotion control plays significant role in preventing the abortion of negotiation result.

**Apply targeted psychological methods to create comfortable and appropriate negotiation environment.** Human nature of avoiding risks empathizes the importance of safe environment-creating. Ask questions in a negative way such as "Do you disagree with me" instead of “Do you agree with me?” can be more effective. Moreover, avoiding using specific words such as ‘why’ can effectively reduce the potential nervous feeling of being assumed or attacked. Showing respect can offer the sense of being taken seriously so that the negotiators can have psychologically positive attitude toward the negotiation.

**Alter pronoun choices and question types according to different negotiation situations.** Pronoun choices depend mostly on Who are the negotiators representing, and
plural pronouns, specifically, are used more common since it also creates a sense of unity and a harmonious atmosphere. Types of questions depend mostly on. What the purpose of negotiation is since open-ended questions show respect and create a casual tone. In contrast, closed-end questions narrow the answerers’ choices and direct the conversation in the questioners' ideal direction. Therefore, the negotiators should alter their verbal strategy when in a different situation.

**Apply appropriate non-verbal communication based on advanced, thorough preparation of the specific negotiation partners.** The application of non-verbal communication is of the utmost significance during communication. Research in advance on the cultural, nationality and personal temper of the specific negotiating partner can ensure the maximization of negotiation effectiveness and benefits.

5. Conclusion

Business negotiation occurs in every company and requires a lot of practice in exchanging information, convincing mutual goals, and compromising. To end in a win-win situation, negotiators should master useful negotiation strategies and effectively use them throughout the negotiation. This article offers readers effective strategies from two aspects which psychological aspect focuses on individual behavior management and emotion control, and the communication aspect guides how negotiators should speak and behave appropriately to conduct efficacious and productive cross-cultural negotiations. In conclusion, business negotiation is not just about purchasing profitable results. Still, instead, it is a kind of art that requires effective and appropriate strategies to reach a mutual outcome with conciseness.

References


