

The role of emotional intelligence in negotiations and strategies for successful contracting

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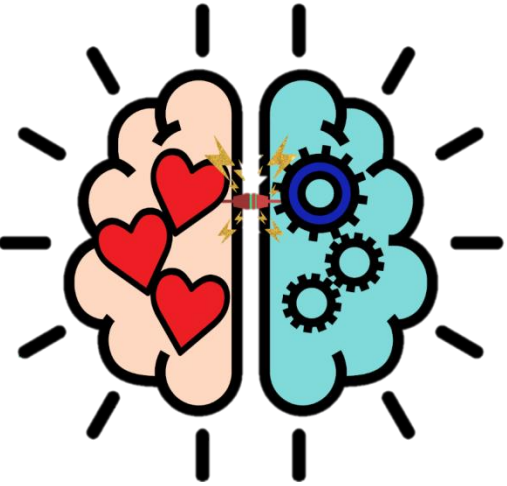
- ✓ Introduction
- ✓ Definition of EI
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Introduction



- ✓ Emotional intelligence (EI) holds a central and often underappreciated role in today's workplaces.
- ✓ While technical skills and knowledge are undoubtedly important, EI serves as the vital linchpin that fosters a harmonious and productive work environment.
- ✓ EI isn't confined to individual interactions; it extends to organizational and business transactions dynamics.
- ✓ EI is a pivotal factor in the context of negotiations and contracting environments, shaping the dynamics of interactions, influencing decision-making, and ultimately determining the success of agreements.

Definition of EI



✓The term of Emotional intelligence (EI) also known as Emotional Quotient (EQ), appeared in 1964, it gained popularity in the 1995 bestselling book Emotional Intelligence by science journalist Daniel Goleman.

✓EI is most often defined as the ability to perceive, use, understand, manage, and handle emotions. People with high EI can recognize their own emotions and those of others, use emotional information to guide thinking and behavior, discern between different feelings and label them appropriately, and adjust emotions to adapt to environments.

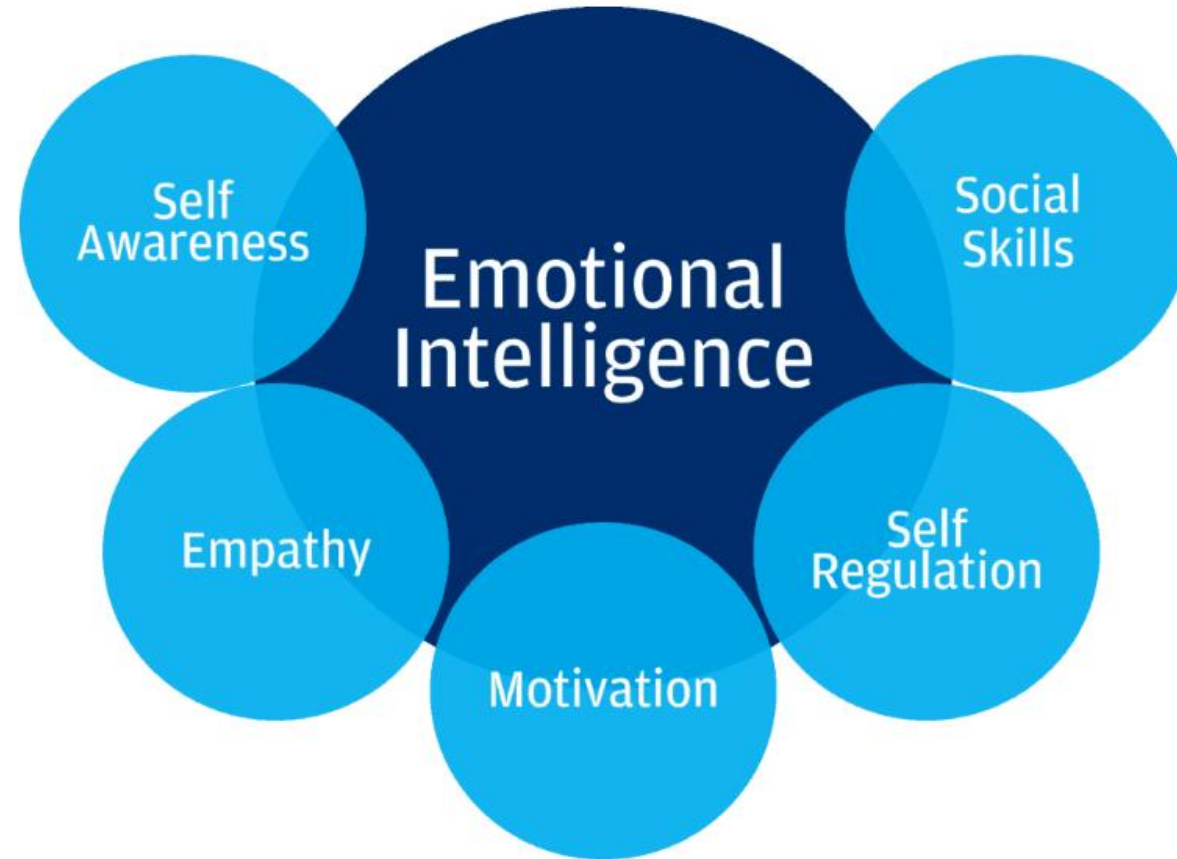
✓Some researchers suggest that EI can be learned and strengthened, while others claim it is an inborn characteristic.

The difference between AI and EI

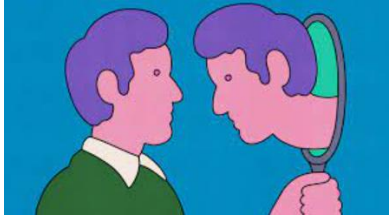
- ✓ Artificial Intelligence (AI) and EI lies at the intersection of technology and human emotion.
- ✓ AI Focuses on capabilities of machines to process data, solve problems, and make decisions.
- ✓ EI encompasses the unique human capacity to recognize, understand, manage, and leverage emotions in oneself and others.
- ✓ AI is a testament to human ingenuity, aiming to replicate human cognitive functions through algorithms and data analysis. It thrives on logic, efficiency, and data-driven decision-making.
- ✓ In contrast, EI is deeply rooted in the complexities of human emotion and social interactions. It empowers individuals to navigate the intricate world of feelings, fostering empathy, self-awareness, and effective communication.

- ✓ The role of EI in professional settings
- ✓ How EI creates efficient contracting environment

The role of EI in professional settings



The role of EI in professional settings



Self-awareness:

- ✓ Recognize and understand your own thoughts, feelings, emotions, strengths, weaknesses, and motivations.
- ✓ Having a clear and accurate perception of yourself and your inner world.



Self management:

- ✓ Recognize and regulate your own emotions, behaviors, and impulses in a way that allows you to achieve your goals, handle stress, and maintain a sense of well-being.



Motivation:

- ✓ Driving individuals to set and achieve goals, overcome challenges, and pursue personal and professional success.
- ✓ Motivation within the context of EI often involves understanding one's own motivations and the ability to motivate oneself and others effectively

The role of EI in professional settings



Empathy:

- ✓ Understand and share the feelings, perspectives, and experiences of others.
- ✓ Not only recognizing and acknowledging the emotions of others but also responding to those emotions with care and consideration.



Relationship management:

- ✓ Establish, nurture, and maintain healthy and positive relationships with others.
- ✓ Understand and respond to the emotions and needs of individuals and groups to build strong connections and resolve conflicts.

How EI creates efficient contracting environment

Communication

Effective communication is essential in contracting. EI supports supports clear expression and active listening, which in turn helps to ensure all parties are on the same page.

Building Trust

Building trust in business dealings is crucial. EI helps individuals individuals recognize the importance of trust and make decisions that reinforce it.

Problem Solving

Contracting often involves solving problems and finding solutions. EI allows individuals to approach problems from a from a variety of perspectives, fostering creativity and leading to leading to more effective solutions.

Cultural Sensitivity

In international or cross-cultural contracts, EI helps individuals navigate cultural differences and sensitivities. Understanding and respecting emotional expressions and cultural norms is vital for successful negotiations.

How EI creates efficient contracting environment

Adaptability and resilience

Resilience refers to the ability to bounce back from adversity, adapt to challenges, and recover from setbacks or stress. EI involves recognizing, understanding, and managing one's own emotions and the emotions of others.

Feedback and Continuous Improvement

EI encourages a mindset of continuous improvement. Parties can use feedback and post-contract evaluations to identify areas where the contract and contracting process can be improved for future efficiency.

Contract Compliance

EI promotes a sense of responsibility and commitment to the terms of the contract. Parties are more likely to comply with their obligations when they value the relationship and understand the emotional impact of non-compliance.

Decisiveness

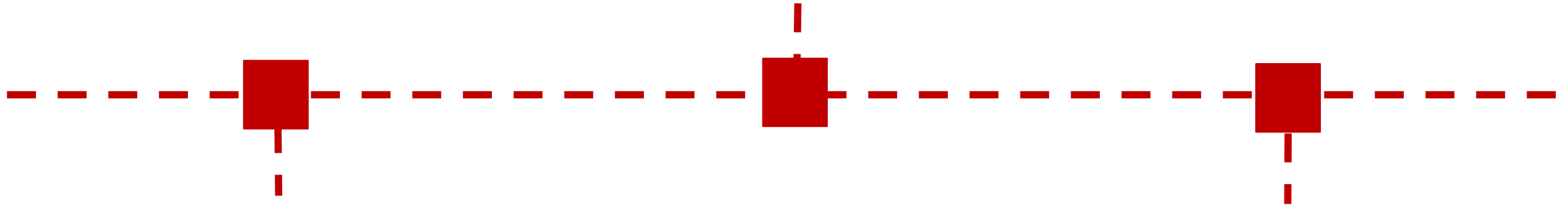
Negotiations can be stressful, but EI helps people maintain a clear head and make informed decisions, ultimately leading to more successful outcomes.

- ✓ How EI drives the negotiations to a success
- ✓ How EI drives the negotiations to failure

How EI drives negotiations to a success

- ✓ **know your counterpart:**

- ✓ Analyse your counter part
- ✓ Adapt the discussion to them to keep them interested
- ✓ Avoid subjects of misunderstanding and disagreement



- ✓ **Listen to your counterpart:**

- ✓ Note their arguments and prepare the counter-arguments in your mind
- ✓ Don't interrupt their argumentation even if you disagree

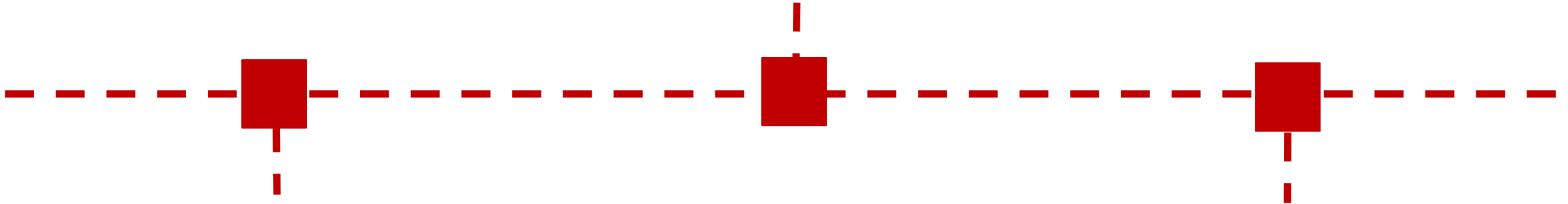
- ✓ **Communicate clear and avoid ambiguities :**

- ✓ Don't use the language of promising
- ✓ Follow up and be active and not reactive
- ✓ Set a clear agenda and take the lead of the communication

How EI drives negotiations to a success

✓ Wining time :

- ✓ In some cases, rushing is road toward the failure
- ✓ Can be a way of pressure or pressure release for the other party
- ✓ If the parties are still talking, it's not a failure yet



✓ Repeating :

- ✓ When you are very convinced about your position
- ✓ Counter every argument by saying the same thing with different way sometimes

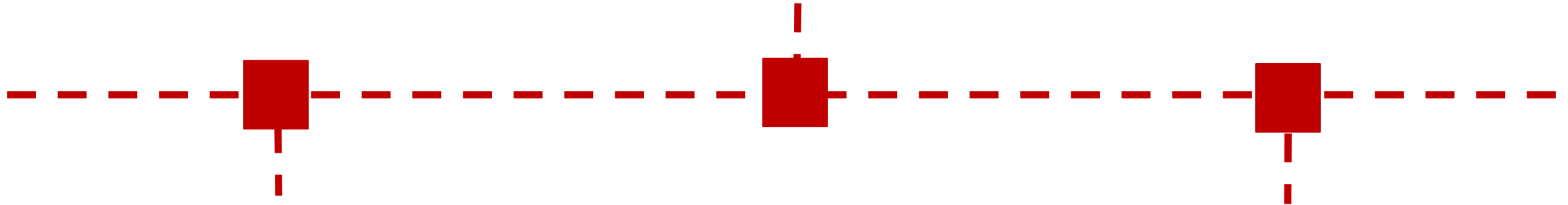
✓ Let your counter Part Bid against them selves:

- ✓ How can we agree on that?
- ✓ Let them come up with a counter proposal to facilitate the task for you

How EI drives negotiations to a success

- ✓ **Building trust:**

- ✓ Building trust and rapport is essential in negotiations. By taking the time to listen and understand the other party's needs, negotiators can build trust and foster long-term partnerships.



- ✓ **handle frustration and Anger:**

- ✓ Addressing anger calmly and directly can lead to a more productive conversation.
- ✓ Recognize when the other party is feeling frustrated and work together to find a solution.

- ✓ **Powerful words in negotiation:**

- ✓ “Fair” and “that’s right” are powerful words
- ✓ Confirm the alignment of both parties
- ✓ Maximize trust and leads to a “YES”

How EI drives negotiations to a failure

✓ Avoidance of Conflict:

- ✓ Individuals with high EI may avoid or downplay conflicts to maintain a positive atmosphere.
- ✓ This can lead to unresolved issues simmering beneath the surface, eventually causing negotiations to break down.

✓ Overemphasis on Relationship Building:

- ✓ Excessive emphasis on relationship-building can lead to neglecting one's own interests.
- ✓ Overcommitment to preserving harmony may result in inadequate assertion of needs.

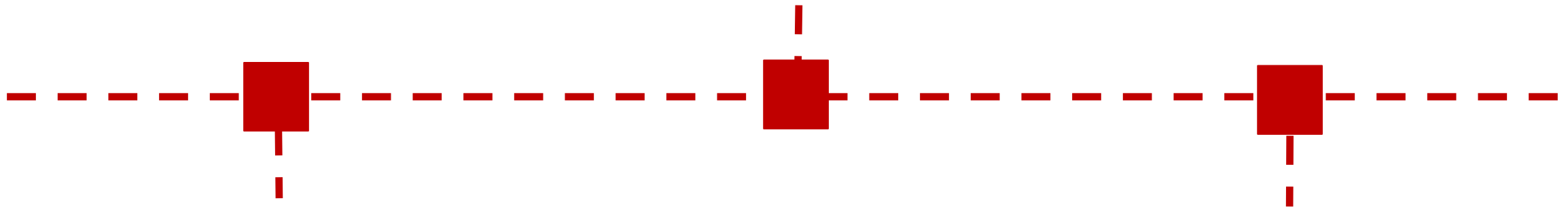
✓ Excessive Concessions :

- ✓ Empathetic negotiators might excessively focus on the other party's emotions and needs.
- ✓ This concern can lead to making excessive concessions to avoid discomfort.

How EI drives negotiations to a failure

✓ **Sensitivity to rejection:**

- ✓ Fear of rejection or a desire for approval can make individuals hesitant to push for their desired outcomes.
- ✓ This can lead to them settling for less than what they initially wanted.



✓ **Indecisiveness:**

- ✓ Overthinking or a desire to please others can lead to indecisiveness.
- ✓ struggling to make tough decisions or commit to a course of action, causing negotiations to stall.

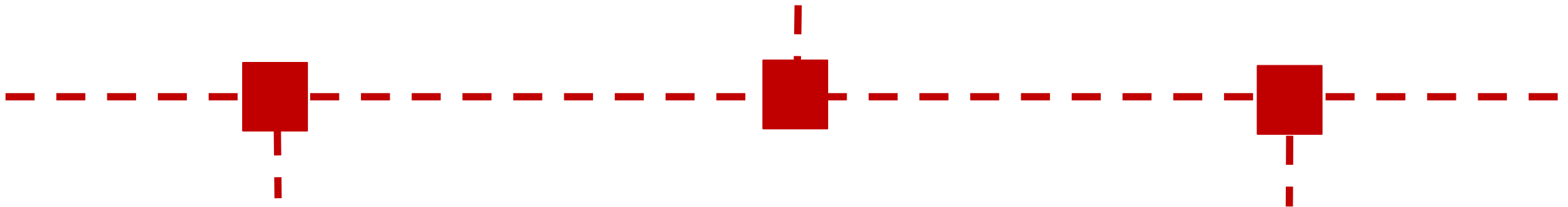
✓ **Overanalyzing Emotions:**

- ✓ An excessive focus on emotions, either their own or those of the other party, can lead to overanalyzing and second-guessing, causing delays and impeding progress.

How EI drives negotiations to a failure

- ✓ **Ineffective boundary setting:**

- ✓ Setting inconsistent or shifting boundaries during negotiations can erode trust and credibility.
- ✓ Insufficient preparation can lead to an inability to establish clear boundaries, leaving negotiators vulnerable to manipulation.



- ✓ **Failure to manage emotions:**

- ✓ While recognizing emotions is crucial, failing to manage them effectively can be counterproductive.
- ✓ Emotions such as anger, frustration, Stubbornness ... if they are not well controlled, they can lead a negotiation to a failure

- ✓ **Influence of biases:**

- ✓ Emotions can sometimes lead to biases that cloud judgment. For instance, an emotional attachment to a particular solution may make it challenging to objectively evaluate alternatives.

✓ Notable negotiations

✓ Conclusion

Notable negotiations

1. Negotiations between Nike and Michael Jordan in 1984

The deal between Michael Jordan and Nike, which led to the creation of the iconic "Air Jordan" brand of basketball shoes and apparel, is a classic example of a successful business partnership that involved EI in various ways:

- ✓ The relationship and rapport established between Michael Jordan and Nike's executive team.
- ✓ The negotiations involved active listening, as both sides needed to understand each other's needs and expectations.
- ✓ Michael Jordan's emotional connection to basketball and his desire for innovative, high-quality footwear resonated with Nike's vision.
- ✓ The negotiations likely involved active listening, as both sides needed to understand each other's needs and expectations. Listening to each other's perspectives helped in crafting a mutually beneficial agreement.
- ✓ Effective communication, another EI component, played a role in conveying ideas, expectations, and visions clearly. Both sides needed to articulate their goals and aspirations effectively.

Notable negotiations

2. Deal between Apple Inc. and Samsung in 2005

The two tech giants recognized the strategic importance of their collaboration to supply iPhone components. Here's how EI played a role:

- ✓ Apple's then-CEO Steve Jobs and Samsung's leadership cultivated a relationship built on trust and mutual respect, which facilitated ongoing negotiations.
- ✓ The two companies faced legal disputes over patent infringement, which could have escalated into a damaging legal battle. However, through skilled negotiation and EI, they managed to resolve some conflicts amicably, avoiding protracted legal battles.
- ✓ Over the years, the dynamics of the tech market and the needs of both companies evolved. EI played a role in their ability to adapt to changing circumstances and adjust the terms of their agreements to better suit their respective interests.
- ✓ The ongoing partnership between Apple and Samsung demonstrates the value of having a long-term perspective. EI encouraged both companies to consider the impact of their decisions on their broader strategic goals.
- ✓ By addressing potential issues before they escalated, EI contributed to conflict prevention. Both parties were proactive in resolving disagreements rather than letting them fester.

Conclusion

- ✓ EI is transformative force in negotiations, profoundly impacting the outcome and quality of agreements.
- ✓ EI empowers negotiators to navigate emotions, fostering trust and collaboration.
- ✓ EI enhances communication, empathy, and understanding among negotiators, reducing misunderstandings and conflicts.
- ✓ It promotes constructive problem-solving by encouraging parties to address underlying emotional concerns.
- ✓ The role of EI in negotiations extends beyond tactics; it transforms the negotiation landscape, leading to more harmonious, productive, and mutually beneficial outcomes.
- ✓ It contributes to long term relationship building, as successful negotiations often lead to ongoing collaborations and partnerships.



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