

## Negotiating in a team

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A participant in a negotiation course once confessed that he hated to negotiate in front of his wife. When asked why, he said he found it difficult to close the negotiation. For example, once he was negotiating to buy a used car. Both he and his wife had agreed that €15,000 was a fair price for the car. However, the seller did not want to go below €16,500.

If I were negotiating alone, I would have agreed on 16,500. But I generally find it difficult to concede in the presence of a family member. I couldn't concede in that negotiation and we ended up abandoning it. Whenever I am with my father, my brother or my wife I become a bit adamant. Maybe I don't want to look weak in front of them,

the participant said. Negotiating in a team involves more complexities due to the special interpersonal nature of teamwork. Some of us are more comfortable negotiating as part of a team while some of us are more comfortable negotiating solo.

### Impact of team negotiations on outcomes

Let us try to understand a team as a negotiating unit by answering two questions: 1) What happens when an individual negotiates as part of a team? 2) What happens when an individual negotiates opposite a team? In a study led by Leigh Thompson from Northwestern University in Illinois, it was found that teams negotiate better in almost all situations. Not only that but teams were also a better counterpart than a solo negotiator. When teams negotiate with individuals in competitive or distributive scenarios, teams generally create greater value. However, individuals are still better off negotiating opposite a team than negotiating opposite another individual. In other words, in a competitive scenario, teams help not only to get a better result than their counterpart but they also help their counterpart get a better result. On the other hand, in a collaborative negotiation situation, teams actually help increase the joint gain. In a nutshell, teams should achieve better results overall in negotiations.

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There are two main reasons why teams could create greater joint profits: better information and better control. When teams negotiate, they have the advantage of a better network, better information and better analysis. With more members on the team, teams can come up with

better ideas because they have a greater perspective. Another reason why teams create greater joint profits is their control over the negotiation process. Teams can theoretically have better control over the process because teams have more tactics available to them. Teams can use tactics such as good cop/bad cop, which is generally difficult in a solo negotiation.

## Challenges in a team negotiation

However, team negotiations do have several challenges. Below are some challenges and strategies to overcome them.

### Lack of coordination

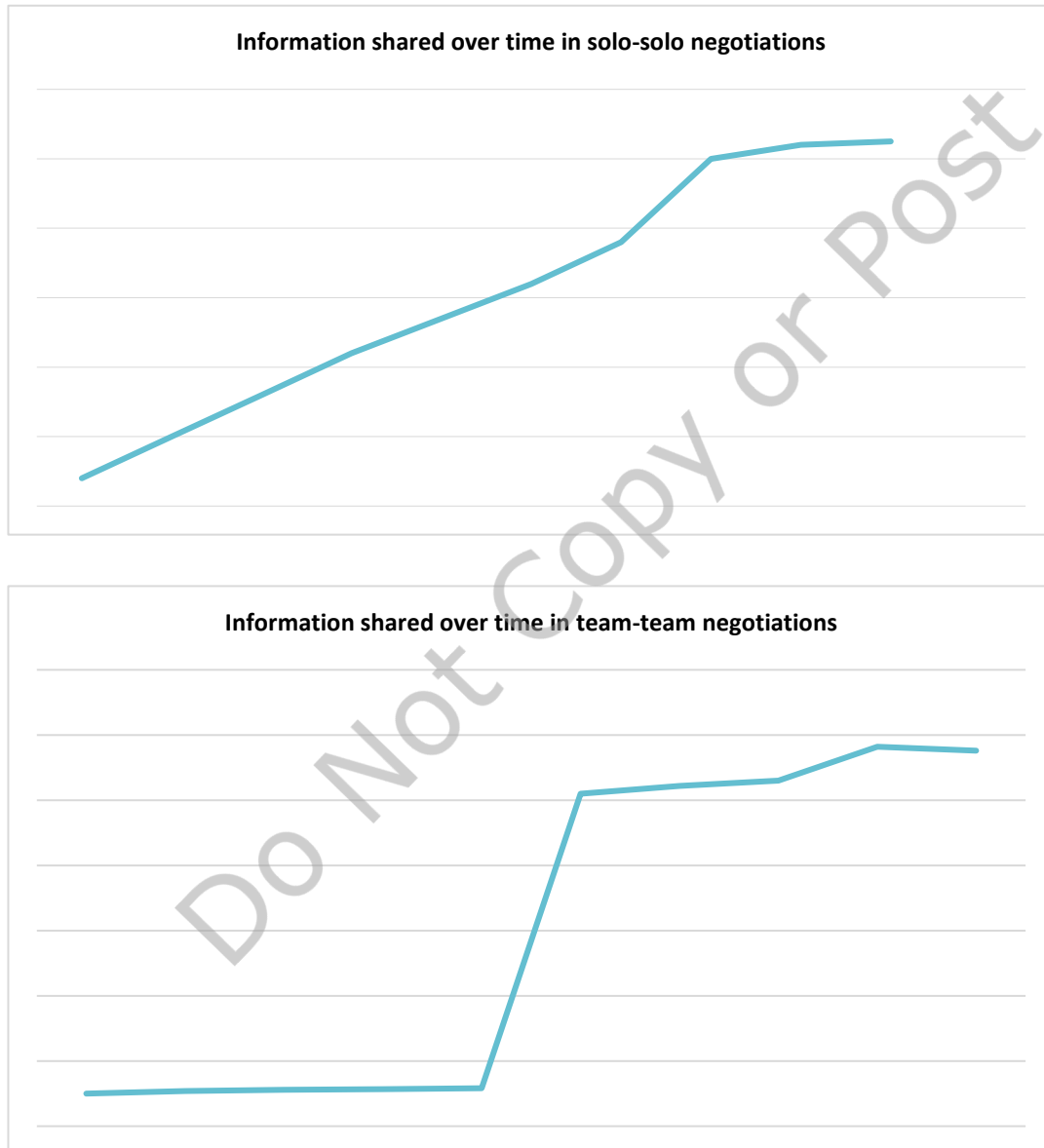
One of the biggest problems with negotiating in a team is a lack of coordination. Teams may lack coordination for various reasons but the major reason is generally internal conflict. That is why it is extremely important to avoid internal conflict in a team by carefully studying sources of potential conflict even before the team is formed. There are mainly two types of conflicts that affect teamwork: 1) interpersonal and 2) task-related. It is very important to make sure that a negotiating team is a cohesive unit. Interpersonal conflicts are difficult to foresee and hence difficult to avoid. Most interpersonal conflicts are the result of strong emotions. The best way to avoid emotional hiccups in a team is to choose the team members well. It is also important for negotiating teams to spend some time together before the members start negotiating as a team. Some organizations overlook the impact of teams on negotiation performance and so fail to give the team members sufficient warm-up time together to develop a sense of camaraderie.

Task-related conflict can be avoided in two ways. First, by having a high degree of functional homogeneity on the team. If the team is homogeneous in terms of the functions and expertise of its members then the members understand each other's perspectives much better. However, this may work only if the negotiation is limited in terms of functions. In many complex negotiation situations, a team needs experts from different fields. On a negotiating team, it is very common to see representatives of finance, marketing, operations and human resources negotiating together, representing the organization. To avoid task-related conflict on a multifunctional team, it is important to give the team some grooming time. This is essential for team members to understand each other's objectives as well as priorities. It is also important to use this mutual understanding to create common ground for negotiation. If team members negotiate with conflicting goals in mind, this will not only harm the unity of the team but also result in poor team performance.

Type of conflict	Reasons	Preventive measures
Interpersonal	Lack of harmony, lack of mutual understanding, lack of trust	Careful selection of the team
Task-related	Lack of understanding of each other's functions and priorities	Grooming time for the team

### Poor control of the process

Another problem with team negotiations is that they tend to get a bit off-track and eventually teams end up spending too much time at the negotiating table. The following two graphs show how information sharing is spread across the period of negotiation between team negotiations and individual negotiations.



As shown in the graphs, it is difficult to share information in team negotiations. There are phases with sudden increases in information shared. As a result, it is very important to keep track of the information shared. In information sharing during a team negotiation, we observe kinks such as the ones we have seen above because, when teams negotiate, a lot of time is spent simply warming up. Later on, almost all the team members start chipping in with information and a lot