

Negotiation in Relation to Egoism and Altruism

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Abstract. The influence of the negotiators on the negotiation is significant. Negotiation motivation is an essential factor influencing negotiations' approach, process, and outcome. Much of the literature on negotiation refers to self-interest and altruism. However, few have specifically compared the differences and similarities between the two in terms of negotiation motivations, methods, and outcomes, hence the contribution of this study. This dissertation examines these aspects and finds that although the motivations of egoism and altruism are different in most cases, they have one thing in common: the desire to negotiate successfully. However, due to the interest issues, egoism and altruism can have some differences in how they negotiate during the negotiation process that can affect the negotiation outcome. Poor communication, inability to find a win-win solution, too much altruism and self-interest negotiation can make the negotiation unsuccessful or unsatisfactory. This thesis proposes to face these problems by communicating more, listening more, and understanding the other side.

Keywords: Negotiation; Egoism; Altruism; Motivation.

1. Introduction

Sociality means that socialization cannot be avoided in life, however, along with socialization comes negotiation. Thompson et al. have said that negotiation occurs when people do not achieve their goals by cooperating with others [1]. Thus, negotiation always appears to satisfy some need or create some benefit, which is the motivation for people to negotiate and why negotiation arises. Whether it is a negotiation with family and friends or a business negotiation or a negotiation between countries, the motivation, ability and approach to negotiation are crucial because they can determine the outcome of the negotiation. In addition to motivation, cognition, and bias, personality, emotions, the tendency to trust, reputation and relationships, gender, power, and culture are also various factors that influence negotiation [2]. The core focus of this thesis is on motivation and centers on the role and influence of egoism and altruism on negotiation. Of the three social motivations proposed by Messick et al. egoistic negotiators are concerned with their interests and seek to maximize their benefits. In contrast, altruistic negotiators seek to maximize the benefits for themselves and others [3].

These two different social motives influence the strategies and methods negotiators use in negotiations and, consequently, the outcome of the negotiations. There are three main types of negotiation: competitive, cooperative, and win-win. Sometimes the negotiators' interests are the same; sometimes, they are different, sometimes, they fight for the interests, and sometimes, they do not. In any case, negotiation should seek a comprehensive outcome, that is, to maximize the benefits without hurting the other party and satisfying all parties [4]. However, in reality, many negotiation outcomes are suboptimal. Many negotiations are suboptimal, and people's desire to do more for themselves sometimes leads to trust and communication problems (e.g., misunderstandings), which are major impediments to a comprehensive outcome.

A better understanding of how self-interest and altruism affect negotiation outcomes can help people identify their negotiation problems, correct them, and improve their negotiation skills to ultimately improve negotiation success and outcomes. Therefore, this thesis will explore egoism and altruism through a literature analysis and present the problems they may pose to negotiation and propose solutions.

2. Organization of the Text

2.1 Egoism

The purpose of the egoist in negotiating is to attain the most significant benefit, regardless of others' interests. Unethical negotiation behavior sometimes arises from a short-term engagement perspective and a myopic emphasis on maximizing self-interest or is tied to organizational culture or personal ideals [5]. To better understand what egoism looks like when negotiating, three aspects need to be understood. The first is the motivation, then the egoist's negotiation style and strategy, and finally, the negotiation outcome. Firstly, As mentioned earlier, egoism is mainly related to self-interest. Egoists are usually motivated by the pursuit of their interests. This may include money, power, status, honor, etc. They may believe that by maximizing their or the company's interests, they will be better able to achieve their goals and aspirations. Secondly, negotiation strategy is important. In order to obtain more resources, they use competitive strategies when negotiating [6]. e.g., increasing one's demands in the expectation that the other party will give in, creating pressure to give in through threats and intimidation, creating tension by stalling, withholding important information to deceive the other party into agreeing to one's demands, or position commitment and bargaining [7]. Lastly, although the egoist may get more resources and benefits, it also means that the other side will get a less or tiny part. This unfair negotiation result may be very undesirable for the other side and cause strong resentment. These unethical negotiation methods and strategies can easily lead to failure and undesirable consequences. According to Reitz et al, lost opportunities for future interactions are all consequential costs of egoistic negotiation styles and strategies [8]. Thus, an egoistic approach to negotiation can lead to a momentary advantage in benefits but can lead to more damage in the long run.

2.2 Altruism

Altruism in negotiation refers to the consideration and pursuit of the common interests of the negotiating parties and the interests of society as a whole [2]. Altruists in negotiation consider how to reach a fair and just outcome that will benefit both parties. This paragraph will show the motives, negotiation methods, strategies, and results of altruism to understand better what altruism looks like in the negotiation process. The motives of altruism are related to cooperation, mutual aid, and win-win situations. Altruists believe that all can benefit by seeking the common good of two or more parties. This idea can be applied to various areas, such as personal relationships, business transactions, and international relations. Altruism is related to other related concepts, such as Reciprocity. It is based on the principle of fair exchange, where one party gives something to the other party and the other party reciprocates [9]. Win-win means that both parties benefit from the transaction, and there will be no win-lose distinction [10]. Altruists will use cooperative negotiation strategies and methods, such as communication, negotiation, consensus-seeking, and compromise, to reach mutual interests [11]. They will try to understand each other's needs and requirements and find acceptable solutions for both parties. According to the research, such an approach to negotiation is less likely to lead to a stalemate in negotiations because the altruist will make concessions once he or she discovers that there is such a risk [7]. Because of this, the altruist is vulnerable to exploitation, and the other side may see this idea of consideration by all as weak and overly tolerant, so excessive altruism may affect the interests of their side. Even so, appropriate altruism is considered ethical and effective in negotiations because it leads to fair outcomes, increases the success of negotiations, and maintains harmony in the relationship, which helps build trust between the parties for long-term cooperation [12].

2.3 Comparison between Egoism and Altruism

2.3.1 Same outcome expectations

Although self-interest and altruism present different motivations, methods, motives, and outcomes in some negotiations, some aspects are the same. First, there may be similarities in the motivations of

self-interested and altruistic negotiations. For example, although self-interested negotiators are more concerned with their interests and altruistic negotiators are more concerned with the interests of others or all people, they both may want to reach a satisfactory negotiation outcome. Thus, their motivations are similar in this sense because they both want to reach a satisfactory outcome.

2.3.2 Using similar negotiation strategies

Likewise, they consider factors such as interests, behavioral strategies, coping strategies, and communication skills, which are essential elements of negotiation and need to be considered by both self-interested negotiators and altruistic negotiators. In addition, both self-interested and altruistic negotiators may use various strategies to achieve their goals in negotiations. Although their goals may differ, they may use similar strategies to achieve them. For example, starting with a high offer but telling the other party that the price is negotiable because people want to get a better price and thus bargain, so using this strategy will eventually bring the price down to an appropriate range. Alternatively, such as using compromise, making concessions, proposing alternatives, etc., to reach an agreement these strategies are commonly used in the negotiation process to reach an agreement.

2.3.3 Alignment of goals and interests

There may be some similarities between self-interested and altruistic negotiation outcomes. Although their goals and motivations may be different, they both have the potential to achieve win-win outcomes. A common outcome is the achievement of both parties' goals, such as the self-interested negotiator achieving his or her own goals and the altruistic negotiator achieving the goals of others. For example, if two parties want different things, the egoist wants the skin of the orange, and the altruist wants the fruit of the orange. Each party can take what it wants, and a satisfactory and fair outcome can be achieved [13]. Another expected outcome is establishing a long-term cooperative relationship, where both the self-interested negotiator and the altruistic negotiator are likely to continue to cooperate after the negotiations, maintaining good relations by building a long-term relationship. Assuming that both parties have a common purpose and need to cooperate to accomplish it, the interests of both parties are together, so enhancing self-interests is enhancing others' interests. Here self-interest and altruism are unimportant and do not need to be distinguished. However, in the case of competitive negotiations, the possibility of stalemate, unhappy negotiations, and failed negotiations is higher for egoists than for altruists because altruists have a high probability of choosing a compromise as long as the walk-away target is not involved. However, it is not necessarily a good thing because it is likely to harm their interests, leading to an unsatisfactory negotiation result.

2.4 Problem identification

In both competitive and non-competitive negotiations, if negotiators do not find a win-win solution and choose a sub-optimal solution, it will lead to a worse negotiation outcome and failure to achieve a win-win solution [7]. The negotiation outcome should satisfy the needs of all parties. Therefore, more self-interest or more altruism can lead to a satisfactory outcome. Poor communication in negotiation can lead to misunderstandings, unhelpful emotions, mistrust, hasty thinking, and poor outcomes [14]. Therefore, egoists should not intentionally withhold important information or provide misleading information.

Negotiations should not be conducted solely to solve one's own problems or to rob the other side, otherwise they are destined to be unsuccessful. According to Gavin Kennedy, negotiation is the process by which two parties discuss issues of common concern, share ideas, seek solutions, and build agreements [15]. The purpose of negotiation is not to win or lose, but to achieve success for both parties.

2.5 Recommendation

2.5.1 Using win-win negotiation strategies

According to Fisher and Ury, losing strategies do not lead to as productive and satisfying outcomes as win-win strategies [16]. Lebow suggested a combination of competitive and accommodating

strategies [17]. Since negotiations should be aimed at solving problems to obtain a satisfactory outcome, a win-win motivation and strategy are more likely to lead to an agreement that satisfies both parties' INTEREST. Both egoists and altruists should learn to back down and compromise, but only if the other party is. The only prerequisite is that the other party offers a quid pro quo. This is the only way to ensure that one's interests are safeguarded in the event of a compromise and to avoid the problems of strength and weakness, for instance, to try to avoid being too egoistic and too altruistic. Therefore, before and during the negotiation, the negotiator can list and prioritize the things to be negotiated. This will help to understand what can be compromised and what should be fought for. And ensure that the best compromise and exchange can be made. BATNA stands for 'best available alternative' and measures whether a possible agreement is the best solution for a party in a negotiation [18]. It is a standard used in negotiations to measure whether a possible agreement is the best solution for a particular party. Once the offer is worse than BATNA, the negotiator should say no. Sometimes the choice to say no is wise, as it is a rejection of a detrimental benefit.

2.5.2 Communicate and listen more

misunderstandings, and bad outcomes [14]. Therefore, during negotiations, people need to learn to give more trust and less deception. Always ask questions during the negotiation to get information, e.g., why, what does this mean, how is it, is it acceptable, what can I do for you, etc. However, if the other party is reluctant to reveal, learn to listen to understand what the other party wants, what they reject, and what they can accept. Once the negotiator has obtained the information, he or she can guess the conditions and options that the other person might accept and then use his or her ability to make an offer, which can significantly improve the success rate. Nevertheless, remember to give some information to the other party, as negotiations can only go well if they understand each other.

2.5.3 Trying to understand the needs of other negotiators as much as possible

Only by knowing and understanding the needs and requirements of the other party can negotiators better agree with them. Studies have shown that negotiators who understand the other party's interests at the beginning of the negotiation have higher returns than those who understand at the end. [2]. Therefore, it is a good negotiation strategy to respect the other party and try to understand them.

3. Conclusion

The study in this paper is crucial because it can help negotiators to improve the success of their negotiations and thus achieve better results. This thesis found that egoistic negotiators put their interests first and they negotiate in a way that may harm the interests of others and lead to poor or failed negotiation results. On the other hand, the altruist is more focused on the interests of all parties in the negotiation and negotiates in a fair and ethical way, thus choosing to compromise during the negotiation process, which will also increase the success rate of the negotiation. However, if they are too altruistic, they may be used by the other party, resulting in a negotiation that does not achieve the desired outcome for their side and affects subsequent interests and cooperation. Egoism and altruism also share the same desire for successful negotiation.

In some cases, the motivation of egoism and altruism does not matter, as their interests are the same and together. Both egoistic and altruistic negotiators need to communicate more, listen more, understand the other party's needs, and use win-win strategies to negotiate. This helps to avoid misunderstandings and conflicts caused by non-communication, to avoid choosing sub-optimal outcomes over comprehensive ones, and to avoid negotiation problems caused by self-interest hurting other negotiators.

Moreover, communicating, listening, understanding the needs of other negotiators and using win-win strategies can help to avoid these problems

This article finds that negotiators should not be too self-interested and altruistic. Negotiators should understand that the ultimate goal of negotiation is not the benefit of one party but that all parties involved can benefit without hurting the other party. Only then will negotiations be smooth

and effective. This thesis draws on the literature on egoism and altruism, identifies the associated problems, and gives suggestions. However, other factors affecting negotiation that may cause negotiators to negotiate differently and with different strategies and outcomes are not examined in depth in this thesis. The idea that negotiators should not harm others to maximize their profits, as stated in this thesis, has implications for whether companies should give up maximizing their profits. Therefore, future research could continue in this direction.

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