The Role of Integrative Strategies and Tactics in HR Negotiations

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Abstract
The objective of the paper is to discuss the strategies and tactics of integrative negotiations, which are required for the success of managing human resources in home and international business operations in the 21st century. However, electronic communication has an important role, the findings of the Cranet Survey on Comparative Human Resource Management prove that regarding "the methods of corporate internal communication, direct verbal communication is the most widely used form in both top-down and bottom-up communication" (International Executive Report, 2011). One of the most common methods of direct verbal communication is negotiating to hire the best employees and talents for the company, to decide on salaries and benefits and to solve the emerging problems in employee relations. This paper examines the strategies and tactics of integrative HR negotiations on the basis of theoretical research.

Keywords
HR communication, direct verbal communication, HR negotiation, integrative strategies and tactics.

Introduction

It is proved by findings of the Cranet Survey on Comparative Human Resource Management International Executive Report 2011 that direct verbal communication is most widely used in organizations to communicate major issues to their employees both in top-down and bottom-up communication. HR communication is a strategic tool of HR management and negotiations are common forms of direct verbal HR communication having the aim of hiring the best employees and talents for the company, deciding on salaries and benefits and solving the tasks and problems in employee relations, employee involvement and participation. My paper investigates the strategies and tactics of integrative bargaining, which can be recommended to implement in efficient HR negotiations.

1. Trends in HR communication

HR communication is a significant part of internal corporate communication and it has become a strategic tool of HR management. It is proved by findings of the Cranet Survey on Comparative Human Resource Management International Executive Report 2011 that direct communication methods, both verbal and written, are most widely used in organizations to communicate major issues to their employees. Survey data show the growing importance of internet and intranet in employee communication (more than 70% of organizations use electronic communication to communicate major issues to a great or very great extent); however, verbal communication is the most widely used form in both top-down and bottom-up communication (p. 91).

1.1. Features of top-down and bottom-up corporate communication

Findings of the Cranet Survey 2011 show that there is a shift in top-down employee communication from the representative to individual forms and becoming more personal. Brewster et al. (2007) argue that it may be caused by the increasing levels of direct communication reflecting a decline in trade union influence (as cited in Cranet, 2011). Torrington, Hall, & Taylo (2008) state that the changing workplace itself may cause the shift from representative to individual forms of communication as it is difficult to establish a representative body for the majority of the workforce

because of the increased workforce diversity in workplaces, heterogeneous contract relationships, network-based organizational structures and complexity of the work. Furthermore, the benefits of and the need for a union membership have remarkably decreased by the reduced workplace size, different management styles and increased mobility in the labour market (as cited in the Cranet, 2011).

The most popular way used for employees to communicate their views to management in most organizations is direct communication with the immediate supervisor. Electronic communication and other forms of direct verbal communication (workforce or team meetings, direct communication with senior managers) also present common bottom-up communication methods (Cranet Survey, 2011, p. 94).

2. The advantages of different channels of HR communication

The choice of communication channels by organizations depends on profile and size, the macro-cultural background and organisational culture, the level of technical development and the qualifications of employees (Borgulya, 2010, p. 408). The two main channels of communication used are oral and written communication. The selection of communication channel in HR communication is basically dependent on the type of message to be conveyed, whether routine or non-routine. The appropriate channels for transmitting routine messages are the written media, as these tend to be clear and minimise ambiguity. The benefit of written communication is that it is tangible and verifiable. It includes traditional forms such as letters, memos, bulletin boards etc. and computer-aided forms such as electronic mail (e-mail) and websites transmitting information via the Internet and Intranet (a private, organisation-wide information network). Oral communication might be conveyed via different channels such as face-to-face communication, telephone conversations, voice mail, online conversations and online video-conferencing. Oral communication permits an immediate exchange of information, immediate response and the reaching of agreed conclusions (Bovée & Thill, 1986, p. 3). Speed and feedback are its advantages. However, Robbins (2003) argues that the major disadvantage of oral communication in organisations that the message has to be passed through a number of people. The more people are involved in the process of communication, the greater the potential distortion is (p. 283).

If we attempt to assess the relative richness of different channels of communication, it seems evident that the face-to-face version is the richest. It offers multiple information cues, verbal and nonverbal (words, facial expressions, gestures, intonations, etc.). It is based on personal interaction between the coder/sender and receiver/decoder of the transmitted messages. By contrast, written forms of communication represent low channel richness (Robbins, 2003, p. 283). There is a need for 'rich' channels for transmitting non-routine messages, as these are more complex, more complicated and easily cause misunderstanding (Robbins, 2003, p. 283). They often mean sensitive communication, which requires empathy on the part of HR managers. The recent period of global financial crisis, necessitating restructuring, serious layoffs and the closure of companies, has increased the need for face-to-face HR communication with employees to deal with sensitive situations. The selection of the 'richest' channel to convey information and empathy helps HR managers to reproduce 'face-saving' solutions for employees (Dévényi, 2012).

3. HR negotiations as a significant form of direct verbal HR communication

HR negotiations are significant forms of HR communication. Effective HR negotiations are needed permanently in HR management settings like employment discussions, corporate team building, labour and management talks, contracts, handling disputes and employee compensation. Based on different social interactions, negotiations can be of different types, and business negotiations are one of the most frequently met types of negotiation practice. Business negotiations also differ depending on the types of transaction which they serve. HR negotiations are types of business negotiations.

3.1. Definition of negotiation and the structures of bargaining situations

Thompson (1990) defines the five characteristics of a negotiation situation as follows: "(a) People believe that they have conflicting interests; (b) communication is possible; (c) intermediate solutions or compromises are possible; (d) parties may make provisional offers and counteroffers and (e) offers and proposals do not determine outcomes until they are accepted by both parties" (p. 516).

Bazerman, Curhan and Moore (2005) define negotiation as "the interpersonal process of conflict resolution" and as a consequence it is "one of the most basic and most important forms of social interaction" (p. 180). Walton and McKersie (1965) state that "the degree of conflict between parties' interests determine the structure of the bargaining situation: (1) Pure conflict exists when parties' interests are perfectly negatively correlated, that is any outcome that increases one party's utility decreases the other party's utility in a fixed sum fashion. Pure conflict situations are known as fixed sum or purely distributive negotiations. (2) Pure coordination situations exist when parties' interests are perfectly compatible, increasing one party's utility also increases the other party's utility. (3) Sometimes parties' interests are neither completely opposed, nor purely compatible. Such situations are known as variable-sum or integrative negotiations. In integrative bargaining situation the gains of one party do not represent equal sacrifices by the other party" (as cited in Thompson, 1990, p 516).

3.2. The role of strategies in negotiations

Building strategies means "the elaboration of the general principles which the negotiator – having set for him/herself the goal to be reached – intends to implement in the course of the negotiation to reach these objectives in face of the assumed reactions of the environment." (Dupont, 1996, p. 57) This definition refers to the two significant characteristics of strategies namely, that they are general principles implemented in practice and that they should be adapted to the reactions of the environment.

The two most important strategic modalities negotiators can choose are the cooperative and distributive (conflictual, competitive, confrontational) orientations to negotiations, which were described by Walton and McKersie in their Behavioral Theory of Labor Negotiations (1965) (cited in Dupont, 1996). Cooperative orientation means integrative, non-conflictual goal achievement based on exchanging information between the two parties and working on joint gains. Distributive orientation, on the contrary, means conflictual, confrontational, competitive achievement of unilateral benefits. Lax and Sebenius (1986) have stated that both distributive and cooperative strategies imply cooperative, "value creating" and distributive, "value claiming" elements but the ways of problem-solving are different (cited in Dupont, 1996).

Dupont (1996) underlines that the negotiator's choice of cooperative or distributive orientation is not entirely free, but is based on the situation, the negotiator's personality, experience and competence and on the opponent's presumed and realised choice. The negotiator should be aware of his opponent's choice, otherwise he might make the mistake of having a cooperative attitude to a distributive negotiator and vice versa (p. 64).

3.3. Implementing integrative strategies in negotiations

Many researchers argue that most of the negotiations are integrative. There is no empirical evidence; Raiffa (1982) proves it by a deductive argument: "two people are more likely to have different priorities, risk preferences and valuation of resources than they are likely to have identical preferences across such dimensions. Differences on any dimension define opportunities on integrative trade-offs" (cited in Thompson, 1990, p. 516).

If negotiators' interests are not purely competitive, they can not only divide resources (distributive bargaining) but also create resources by identifying additional value, benefits and additional resources making the chance of integrative bargaining. Pruit & Rubin (1999) argue that "In empirical examination of negotiation behaviour negotiator outcomes are summed to form a measure of joint profit, which is used as a measure of integration. Integrative agreements allow negotiators to achieve greater utility, allow negotiators to avoid potential stalemates, are more stable over time, foster harmonious relations between parties, and contribute to the welfare of the broader community" (cited in Thompson, 1990, p. 717).

Strategies were identified by researchers to reach integrative agreements, including logrolling (Pruitt & Rubin, 1999), the Dual Concern Model (Pruitt, 1995; Pruitt & Rubin, 1999) and Fisher and Ury's model of principled negotiation (Fisher & Ury, 1991).

Logrolling (Pruitt, 1995; Pruitt & Rubin, 1999) is a strategy in which trade-offs between issues are made by the negotiating parties and this way each party gets all or most of his preferred outcome on issues, which are important to him but each party concedes on issues, which are of little importance to him (Pruitt, 1995, p. 27, Thompson, 1990, p. 517).

The dual concern model (Pruitt, 1995; Pruitt & Rubin, 1999) is based on identifying four basic strategies which are available to negotiators: (1) problem solving; (2) contending; (3) yielding; (4)

inaction. The model "makes the following predictions about the antecedents of the four strategies: concern about both own and other party' outcomes encourages a problem-solving strategy, concern about only one's own outcomes encourages contending, concern about only the other party's outcomes encourages yielding, concern about neither party's outcomes encourages inaction" (Pruitt, 1995, p. 30).

Fisher and Ury's model of principled negotiation (1991) presents a cooperative or integrative way of negotiating based on four principles: separate the people from the problem, focus on interests not on positions, invent options for mutual gains, insist on using objective criteria (Fisher & Ury, 1991, p. 15). Dupont (1996) has assessed their contribution as "important (although its merits are more in formulation than in innovation) because it offers simple, clear and powerful concepts toward ideally good agreements." However, he also comments on its limitations based on McCarthy's analysis (1995): "The limitation of the approach is that it tends to a large extent to merge descriptive and prescriptive approaches because it presupposes mutual agreement on "principles" and mutual good faith, and assumes that the situation itself makes a principled negotiation feasible" (cited in Dupont, 1996, p. 55).

3.4. Efficiency of integrative tactics in negotiations

Weingart, Thompson, Bazerman, & Caroll (1987) argue that integrative tactics support the implementation of integrative strategies.

A special type of 'Making an offer' serves an integrative agreement: "the packaging of issues allows greater opportunity for joint gain than negotiating one issue at a time, because packaging offers the opportunity to make favourable trade-offs across issues" (Weingart at al., 1987, pp. 285-286).

'Integrative behaviours' is a set of tactics, which includes suggestions of trade-offs and statements reflecting mutuality. Interdependence of negotiators is emphasized which is likely to initiate problem solving. Integrative behaviours enhance the possibility of integrative responses from the other party (Weingart at al., 1987, p. 286).

'Asking for information' is a set of tactics including questions about preferences, reservation price, best alternative to negotiated agreement (BATNA), general needs, desires and goals. The level of information exchange to enhance the cog-

nitive understanding of the situation is a critical determinant of joint benefit (Weingart at al., 1987, p. 286).

'Providing information' is a set of tactics to inform the other party about needs, desires and goals, reasons for one's own position and recommendations. It is beneficial to provide information to the other party for reaching integrative agreements. However, revealing one's BATNA or identifying one's reservation price is not advised as giving information about them weakens negotiators' positions (Weingart at al., 1987, p. 286).

'Negative reactions' to the other party's offers, ideas and arguments do not support problem solving in the course of the negotiation and result defensive and distributive behaviour; however, they have an important role in negotiations as they express resistance to an unacceptable suggestion (Weingart at al., 1987, p. 286).

'Positive reactions' to the other party's offers, ideas and arguments supports problem solving in the course of the negotiation. However, one should be careful as it might mean "he will agree to anything" and this way it can be considered as a sign of weakness (Weingart at al., 1987, p. 286).

Conclusions

We can conclude that HR negotiations are common forms of direct verbal HR communication. They provide opportunities for exchanging information, arguing and convincing the other party or parties during the bargaining process to reach an agreement, which is acceptable for both or all of them. The effectiveness of HR negotiations could be enhanced by using strategies and tactics of integrative bargaining. To conduct effective HR negotiations HR professionals need to possess negotiating skills, be competent in integrative strategies and tactics which is required for integrating available resources in HR negotiations, like in the course of hiring the best employees and talents for the company, deciding on salaries and benefits, solving the tasks and problems in employee relations, employee involvement and participation. **SM**

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