

FORMAL EDUCATION AND THE PRACTISE OF NEGOTIATION: BENEFITS FOR QUANTITY SURVEYORS

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Negotiation is the most common alternative dispute resolution processes used in the construction industry. It is cost effective and quicker than most of the other dispute resolution processes and the Quantity Surveyor is a core participant in that process. The main aims of this research were critically to analyse the negotiation styles used by Quantity Surveyors and the level of consciousness the QSs had on the negotiation styles they used. A quantitative study was undertaken using an online questionnaire survey to generate the research primary data. A total of 30 respondents, all QSs from consultant practices or contracting organizations with formal or no formal educational backgrounds, were involved in the survey. The findings indicated that three negotiation styles were most frequently used: collaboration, problem solving and compromise. The findings also indicated that QSs were not often conscious of the negotiation styles they used, but still showed that those with a background in formal education exhibited better awareness of these styles. The research concluded that formal education was seen as a worthwhile initiative for the improvement of the way Quantity Surveyors negotiate.

Keywords: formal education, negotiation styles, quantity surveyors.

INTRODUCTION

There is an increase in demand for the use of negotiation as a method of conflict resolution in the construction industry due to the increase in conflicts caused by the complexity of construction projects and also the need to prevent conflicts from escalating to the expensive legal resolution process (Patton, 1999). Whilst lawyers are provided with adequate formal education on negotiation as a core module during their tertiary education, Quantity Surveyors whose role involves carrying out negotiations in the construction industry are not so provided.

According to Hampson *et al* (2001), negotiation is a discussion aimed at reaching an agreement. It is a method used to resolve conflicts in the construction industry ranging from claims to disputes and other forms of problems between parties that are bound by a legal contract. According to Ren and Anumba (2003), formal education may be able to improve the ability of practitioners to perform new tasks that they could not perform before, or to perform old tasks better. It can thus be argued that improving the methods in the way practitioners learn to negotiate may help them reach more successful outcomes.

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One aspect of negotiation skills that can be learned is the 'negotiation style' and this is the term used to describe the approach applied during negotiations (Corvette, 2007). The negotiation style can also be associated with the manner of delivery and attitude adopted, including the negotiator's behaviour or demeanour (Taylor, 2006).

Negotiation style is the way the negotiator plans to interact with his opponent and this usually involves the way he exchanges information, makes and seeks concessions, as well as the overall strategy used to achieve his goals and objectives (Taylor, 2006).

Although it has been found that the strategic negotiation behaviour is complex and varies from one person to the other, there have been strategic patterns or styles that have been most frequently identified (Taylor, 2006). According to Yiu *et al* (2008) the styles used by the negotiators are linked to the overall outcome of the dispute.

Corvette (2007) further stated that while it is believed that the various negotiation styles are already being applied in current negotiation practice, there is a gap in knowledge that does not tell if formal education could improve the practise of negotiation and the overall understanding of the negotiation process for Quantity Surveyors in the construction industry.

Law Schools and Business Schools have long incorporated negotiation courses as a core module because it is believed that negotiation courses provide students with a detailed overview of the use of negotiation, its impact on society and the role lawyers play during a negotiation. In addition, there is a set goal for all students or professionals wanting to become qualified lawyers to acquire knowledge about the theoretical and practical aspects of negotiation to develop the student's effectiveness and competence in negotiation skills/approach.

In today's construction industry the Quantity Surveyor is engaged almost on a daily basis in dealing with claims and disputes emanating from different sources, such as contractual, behavioural or technical issues. Therefore it can be said that QSs, just like lawyers, are engaged in settling conflicts as part of their core roles, but lawyers are provided with formal training in negotiation styles whereas Quantity Surveying academic curricula do not include a core module (i.e. stand-alone module) on negotiation (as noted following a review of the course structures for Quantity Surveying programmes currently being run by Glasgow Caledonian University, London South Bank University, Nottingham Trent University and a host of other established tertiary institutions). Although this research does not seek to specifically evaluate why the current situation exists in these tertiary institutions, it will focus on the extent the introduction of negotiation would have an influence on the way the QS negotiates.

Another issue that will be reviewed in this research concerns the styles used in negotiation by QSs. Positional bargaining (competitive negotiation style) is believed to be the most common style practised by the majority of practitioners where the negotiator will manipulate his opponent to achieve the best possible deal or outcome for his organisation or company. This form of bargaining involves taking and justifying concrete positions and resisting concessions (Patton, 1999). This style of negotiation may be seen as one of the reasons why conflicts in the construction industry may often escalate to the more expensive litigation or arbitration stage. Most negotiation curricula taught within tertiary institutions mainly concentrates on mutual gains bargaining. The training is aimed at improving the styles used by practitioners from a more adversarial style to a more cooperative or problem-solving (Wheeler, 2000).

According to Patton (1999) an academic practitioner, John Dunlop, stated that there is no articulated theory for negotiation, hence there are no possible ways of learning negotiation except through experience. He then further states that it is just common sense and you either you have it or you do not (Patton, 1999). Some others believe that negotiation is a skill that could be influenced mainly by practical, or to some extent, prescriptive theory rather than descriptive theory as there are no right answers to questions like ‘who should make the first offer?’ (Lewicki, 1999). Others practitioners feel that the negotiation programme for formal education institutions may be streamlined in such a way that the competencies could become narrowed to certain standards, and this could threaten the methods already being used by experienced negotiators in the industry.

Previous studies have stated that negotiation has been made a compulsory core module for law and business students in order to improve their overall competencies in this area. Lewicki (1999) stated that negotiation courses have been enjoyed in business schools because students have been largely involved in role plays, simulations, theory and discussions where the experiences are remembered long into the future and applied in practice on the job. These law and business courses on negotiation have been found to satisfy the needs of students both skilfully and theoretically therefore adding significant value to the practice of negotiation (Lewicki, 1999).

Negotiating Styles

According to Corvete (2007) there are five ways to deal with conflicts and these are: avoidance, integration, collaboration, compromise and competition.

Avoidance is a style of negotiation that involves the practitioner failing to engage with his opponent or ignoring the existence of the conflict in its totality (Corvete, 2007). Avoidance could be total or partial. Partial would be when there is the intent to negotiate but not completely aiming at resolving the actual substance of the current conflict. This overall approach ignores the potential for both parties to come to a common understanding and mutual benefits and this style is associated with some common behaviours such as sulking, making sarcastic comments and hiding ones thoughts (Craver, 2000). The outcome of this style is “lose / lose” to both parties (Corvete, 2007).

The competitive style, also referred to as an adversarial or domineering style of negotiation, is a win/lose style of approach to negotiation (Taylor, 2006). The behaviour associated with this style is when the negotiator refuses to back down, uses power-over tactics and exhibits negative behaviour which includes being tricky and self-centred. The style is based on one party seeking to maximise his own gains by taking a strong stance with the aim of making his opponent succumb to his demands.

The compromising or accommodating style occurs when a negotiator gives up some part of his gains just to arrive at a middle ground with the opponent. The aim of this style is to meet some of the needs of his opponent as well as maintain his own. This style falls under the category of a win/win and also a lose/win situation where one party’s gain is not completely achieved at the pain of another party.

The collaborative or co-operative style can be categorised under the win/win approach where, unlike the compromise style, the parties find ways to get what they both want without any pain. This method requires a lot of creativity in order to meet both parties’ desires (Corvete, 2007). This style can also be referred to as soft or cordial bargaining

style where both parties create an open, trusting atmosphere by making concessions and sharing valuable information.

Integrating or problem solving is when both parties decide jointly to identify the needs and objectives of both parties with the aim of creating a solution that meets the needs of the parties. The negotiators will endeavour to understand the shared, compatibility and the potential conflicting interests of both parties with the aim of distributing all resources to solve the problem and this could fall into the what can be distributed, to whom, when, how and how much.

Negotiating Outcomes

Negotiating outcomes may be categorized under seven major possibilities: problem solved, conflict escalation, relationship deterioration, inaction, further disagreement, relationship maintained, and conflict reduction (Cheung *et al*, 2006)

Problem solving, conflict reducing and relationship maintaining are the desirable outcomes for all parties in a dispute because they reach a positive agreement and the needs of all parties are met so this situation can be categorized as a functional negotiation outcome whilst further disagreement, conflict escalation, inaction and relationship deterioration may result in more conflict even at a higher level than the initial situation and can be categorized as a dysfunctional negotiation outcome and this is usually undesirable for the parties involved.

According to Stark and Flaherty (2003) a successful negotiator has an understanding of the subject of negotiation and also a strong knowledge of the negotiation practice. Most negotiators do not value the impact negotiation styles have on their negotiation. Most negotiators use the same approach and are surprised when they do not continue to succeed.

In order to avoid being in deadlock situations the negotiator needs to be flexible with their negotiation styles because using the same style frequently can create situations where both negotiators are bound to lose. Therefore, successful negotiators change their approach and styles to suit the situations created in the negotiation process by their counter parts (Buell, 2011).

Research Methodology

The research involved finding out the possible influence of formal education on negotiation practice of Quantity Surveyors in the construction industry through the test of selected variables and concepts to develop a new conclusion. The research developed literature about the contents of formal education and then tested their influence rigorously through the respondents. The research also involved the investigation of respondents on the type of negotiation styles they used during negotiations. The research approach was, therefore, a mixed approach where the research tested some existing literature to find its validity as well as investigate to find out new information that could lead to new theories. Having carefully considered both Case Study and Semi-structured Interview approaches it was decided that, whilst recognising the richness of the data provided by these research methods, a survey would deliver the opinions of very many more surveyors and, therefore, be more representative and valid.

Primary data was collected using online web survey. The online questionnaire contained standardised questions that were simple and focused, and these questions can be interpreted similarly by all respondents. The questions were distributed across

the three data type of variables: opinion, attitudinal and behavioural questions. The questionnaire technique was selected because it allowed the collection of quantitative data which can be analysed using inferential statistics. Using the online survey method allowed control over managing the data collection process. This online questionnaire method also provided an easy medium to reach the respondents who were scattered all over the UK. The rating scale was implemented in the questionnaire to narrow down the complexity of respondents' answers to prevent them from being out of scope and distorted. The Survey Monkey software had already been predesigned through its developers to help the collection and analysis of data, although the data received was further analysed through the use of Excel software.

The research population was practising Quantity Surveyors in the construction industry in UK. However, online questionnaires could not be sent to all of them and, therefore, a sample was created. The sampling techniques utilised was the Probability sampling. This technique was used because the probability sampling technique is best used where the research strategy involves the use of surveys and the researcher needs to make inferences from the selected population to answer the research objectives.

Simple random sampling is one the several types of probability sampling where all the individuals or units within this sample have the same probability of being utilized for the research. The suitable number of respondents required for this research is 30-50 but the overall sample frame was a total of 180 practising Quantity surveyors, most of them drawn from a directory of Quantity Surveying firms and the RICS website. The selected participants were collated from the sample frame into the SurveyMonkey software and the questionnaires were sent via email automatically. This method has been found to be reliable as the survey is sent directly to the respondent's email where she/he would be the only person that has access to it. The online survey is also time-friendly as the responses are recorded as soon as the respondents makes them and the time taken to complete the questionnaire is seven minutes which helps to enhance the overall process. The total response received was 30 out of 180 participants contacted and 47 emails came back as ineligible and unreadable. The analysis was, therefore, based on the 30 responses received, which is statistically a small sample size. It is recognised that conclusions drawn from this sample have limited importance and the survey is, therefore, regarded as a pilot study only.

Findings

The total number of respondents to the survey questionnaire was 30, of which 27% had formal education in negotiation and 73% had none. Some 50% of the respondents were consultant surveyors in private practice, 36% were contractor's or sub-contractor's surveyors, 7% were client surveyors and 7% were others. The split between private Qs and contractor's Qs was, therefore, roughly two thirds/one third. It was found that 44% of respondents were engaged in negotiations 1-5 times per month, 20% negotiated 5-10 times per month, 23% negotiated 10 or more times per month and 13% did not negotiate at all, i.e. 87% negotiated regularly in their job.

Fig. 1 Negotiation Styles

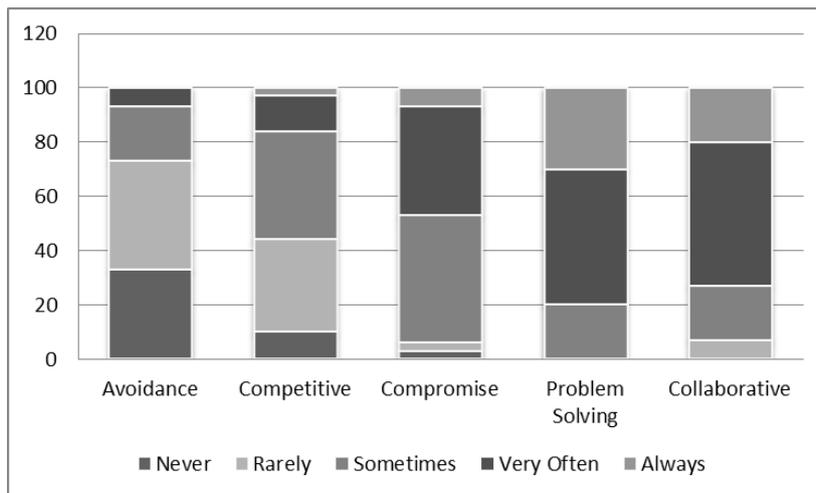
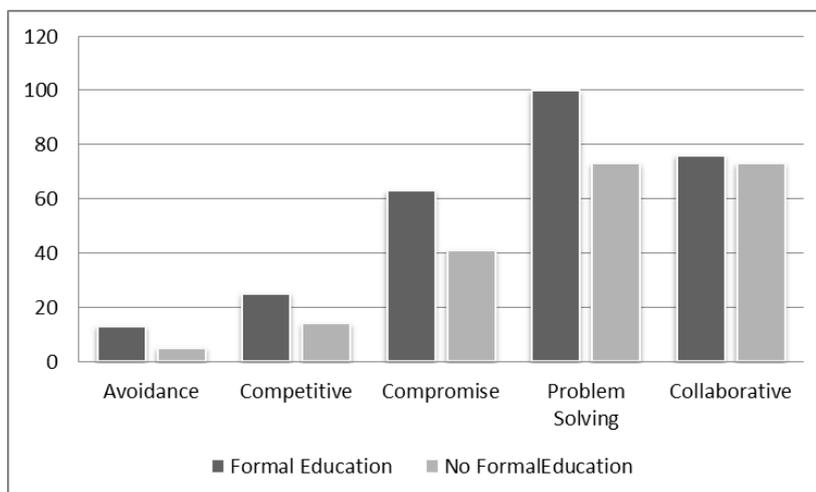


Fig.1 shows the usage of five different negotiation styles. Some 73% of Qs never or rarely used the avoidance style. Only 16% of Qs used the competitive style very often or always, whilst 40% competitively engaged in win/lose negotiations. The compromise style was sometimes used by 47% of Qs with a further 40% using it very often. The problem-solving style was sometimes used by 20% of Qs, very often by 50% and always by the remaining 30%. More than half of the Qs (53%) used the collaborative style very often with a further 20% claiming to always use it. In summary, the problem-solving style was used most frequently (80%) with the collaborative style following closely behind (73%) and the compromise style thereafter (47%).

Fig. 2 Negotiation Styles and Education



These findings were mirrored in Fig. 2 which shows the effect of formal education on the choice of negotiation style. The problem-solving style was most favoured, followed by collaborative and compromise styles. Competitive and avoiding styles were least favoured. In every category those Qs with formal education used a chosen style more often than those without formal education, some markedly so in the cases of problem-solving and compromise styles. This implies that Qs with formal education have developed the ability to use and adapt the various negotiation styles to a better or greater extent than those without formal education, therefore allowing them

to use a variety of styles. It may also indicate that those with formal education have a better understanding of the various negotiation styles and how best to apply them.

Fig. 3 Negotiation styles and experience

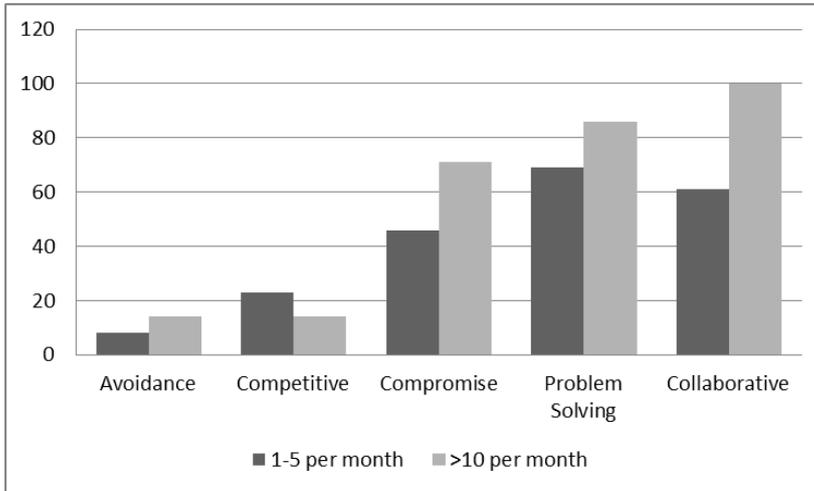


Fig. 3 shows how choice of negotiation style varied with experience. Qs with no negotiations and between 5-10 negotiations per month were removed for clarity. More experienced negotiators preferred the collaborative style followed by problem-solving and compromise styles. Competitive and avoidance styles were seldom used. Less experienced negotiators, in contrast, preferred the problem-solving style, followed by collaborative and compromise styles. Significantly, they preferred the competitive style more than experienced negotiators.

Fig. 4 Negotiation Styles and Roles

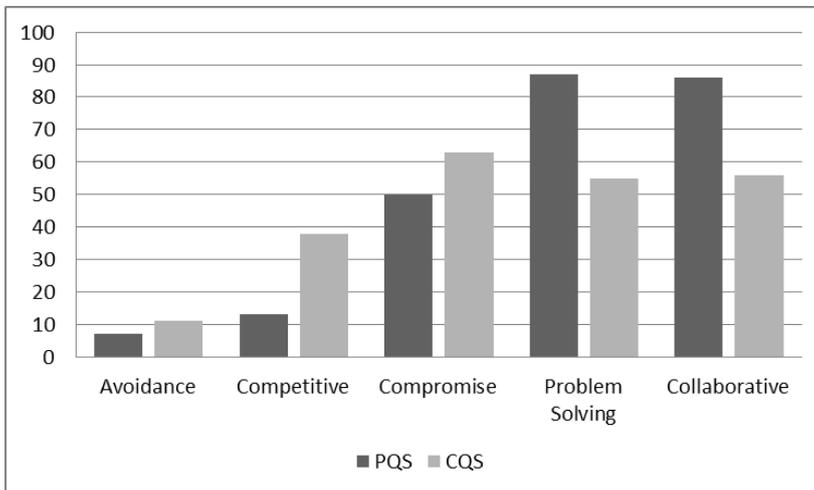


Fig. 4 shows how choice of negotiation style varied with the role as either private QS or contractor's QS. Private QSs favoured problem-solving and collaborative styles equally, with compromise a poor third. Surprisingly, contractor's QSs favoured the compromise style above all others, but, significantly, used the competitive style more often than their private QS counterparts, which was not at all surprising.

The analysis examined the level of attention QSs gave to negotiation styles during the negotiation process. It was found that over 70% of respondents very often repeated the same negotiating style and a further 3% said they always used the same style. There was only a small difference between those with formal education in negotiation and those without (76% and 73%). In contrast, however, those with formal education paid

26% more attention to their own style of negotiation than those without (50% and 41%). The results suggested that knowledge of negotiation through formal education provided the skills that increased the awareness on negotiation styles used during negotiations.

Limitations of Findings

A limitation of the research was that the results obtained were based on self-evaluation of practising QSs which may possibly be biased because most negotiation processes are done in private and there is no direct observation of the negotiation process by the researcher.

The results may be skewed because 50% of the sample was consultant surveyors in private practice and only 36% were contractor's surveyors. This may not be a representative sample of the UK population of QS employment. Also, as only 27% of the sample had any formal education the findings may lean towards the majority.

The results may be socially biased because as the construction industry now strives to encourage collaboration and problem-solving negotiation styles through various means, such as the form of contract, company policies and procurement methods, this could influence the respondents to consciously or unconsciously select the negotiation styles that suit the requirements of the construction industry. That said, however, it is worth mentioning that the extent of disputes reaching litigation stage has been reduced by a third since 1995. This suggests that whilst negotiation seems to be demonstrating some success there are still some cases that make it to the litigation stage potentially due to failed negotiations. This could also mean that whilst the QSs attempt to use the collaborative/problem-solving styles they may not be using them effectively and may lack the required skill to undertake successful negotiations.

The foregoing limitations are recognised and the conclusion must be tempered accordingly.

CONCLUSION

The foregoing research involved the study of the possible influence of formal education on the current negotiation practice of Quantity Surveyors in the construction industry and concentrated on their use of negotiation styles. The research critically analysed the styles used by the QSs in negotiation and the level of awareness they had on the various negotiation styles.

It was found that negotiation theory or practice had not been studied by the majority of QSs during their formal education. Whilst the survey results showed that 27% of the QSs had some form of negotiation training it did not say particularly if the training was undertaken as part of their QS academic qualification course.

It was found that the QSs demonstrated that the compromise, problem-solving and collaborative negotiating styles were the styles they most frequently used in negotiation. This suggests that QSs in the construction industry tended to lean towards win/win situations where all parties leave with something beneficial from the dispute. When the collaborative, problem-solving and compromise styles were applied there was a higher potential for the dispute to be resolved and not prolonged to the more expensive litigation/arbitration process. The competitive style was practised amongst the QSs, but not vastly used. This does not support the theory stated by Patton (1999) that most negotiators engage in adversarial negotiating methods contributing to escalation of conflicts in the industry.

It was found that the QSs who had a formal education on negotiation applied a greater variety of the negotiation styles than those without formal education which gave those with formal education an advantage to change styles that suit different negotiation environments to attempt to reach a final agreement. Similarly, it can be concluded that more experienced QSs apply a greater variety of negotiation styles when compared with less experienced QSs. This made them able to change tactics with ease, able to reposition themselves in the dispute and able to re-strategise more during negotiations. Therefore, with the combination of formal education and work experience most QSs are more likely to excel in their use and application of negotiation styles in dispute resolution.

It was found that contractor's QSs used the competitive and compromise styles to a greater extent than consultant QSs, while the consultant QSs used the collaborative and problem-solving styles more than contractor's QSs. The results supported the theory that the role/position of the QS could affect the way they used negotiation styles. The contractor's QSs were more likely to adopt the competitive style in order to get the client to pay compensation for works they have carried out or may want to carry out to improve their employer's (contractors) chances of an increased profit for the works done, similarly with the use of compromise.

It was found that QSs did not consciously pay attention to their own styles during negotiation processes regardless of their depth of experience. Whilst the QSs were able to state the negotiation styles used, they did not use them knowingly or consciously during negotiations, but only admitted they do afterwards. It was also found that the QSs with formal education demonstrated a better consciousness in paying attention to their negotiation styles applied than those without formal education. Therefore, formal education improved the QSs awareness on the negotiation styles used during negotiations. It was found that the more experience the QS had the more conscious they were about their opponent's negotiation styles. The QSs with a background of formal education also demonstrated more consciousness to their opponent's negotiation style. Therefore, formal education can be used as a means for the less experienced QS to learn to improve their consciousness of the way they negotiate and also the consciousness of the way their opponent negotiates leading to more effective negotiations.

Notwithstanding the small sample size and possible biases, the study demonstrated that formal education was influential on Quantity Surveyors' negotiation styles and practices. Experience was also shown to improve negotiation practice and made QSs more conscious of both their own negotiation styles and those of their opponents.

It is concluded that the introduction of a non-elective negotiation module in the curricula of Quantity Surveying under-graduate degree programmes would be of significant benefit as negotiation is as essential a professional life skill in the construction industry as it is in the legal profession.

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