Exploring the practice of emotional intelligence on negotiations and procurement effectiveness within the music industry in UK

Stephanie Tanevska Branston
Yehia Sabri Nawar
Claude Littner Business School
University of West London, United Kingdom

Key words
Emotional Intelligence, Negotiations, Music Industry, National Culture, Case Study, UK, Sweden, University of West London

Abstract
This study aims to understand how the practice of Emotional Intelligence (EI) can affect the effectiveness in negotiations within the music industry. Additionally, it includes a comparison between the national cultures in Sweden and UK. The study applies the interpretivist philosophy. It undertakes a qualitative research approach, by selecting the target respondents through non-probabilistic purposive sampling and primary data collection, using semi-structured interviews. The selected target respondents are two participants from each country, who have professional experience within the music industry.

The result of the analysis demonstrates that EI has a significant influence on the music industry, mainly because it is such a tough and emotional place. Therefore, it is essential to be able to handle different feelings and experiences that the artist has, which could be lack of self-confidence, criticism and disappointment. The analysis confirms the relationship between EI and negotiations within the music industry. For instance, it builds trust and creates a positive foundation for the negotiation, generates win-win agreements and better understanding of the other party. Upon that, it is important to remember that it all comes down to dealing with people. Sweden is perceived as less hierarchical and more feminine society than the UK. Both countries are relatively high in individualism. Although, Sweden is more towards collectivism than UK. The countries are high in indulgence and low in uncertainty avoidance. Long-term orientation could not be determined within the countries.

The recommendation is to continue to learn and spread knowledge about the importance of EI. Not to forget, the product that is negotiated about, is a real human being, who has emotions and feelings. Therefore, both parties need to take this into consideration when negotiating, in order to reach a mutual and beneficial agreement. Lastly, managers should consider different EI training programs that can be offered to the employees, to improve EI skills.

1. Introduction
A few years back, EI used to be a trending topic, but unfortunately the trend has started to fade. Therefore, it is important that the focus should be on human engagement and sensitivity to emotional response and not only about intellectual manoeuvring (Freestone, 2016). When being aware of the control over emotions, it lets a person to bend his or her thinking in a way that will generate better decisions or more positive outcomes. By being emotionally intelligent does not mean that a person is sensitive to others in terms of being friendly or supportive. It is about the careful processing and the use of emotional information that is displayed (McGuinness and Bauld, 2006).

Previously, little research has been done on the relationship between emotion and negotiation research (Kim et al., 2015). Lately, however, more attention is emphasised on the influence emotions have on negotiations by researchers (Kim et al., 2015). As for the negotiation part, it needs more than just reading draft contracts, running numbers and creating a backup plan. It is also in need of emotional preparation (Wheeler, 2015). Negotiations involve a complex process, which requires cognitive, behavioural and emotional abilities. For a long period of time, the emotional aspects of the process have been reduced or ignored, most frequently due to the serious damage of processes that includes domestic,
personal injury, transaction and international political and commercial problems (Kelly and Kaminskienė, 2016). To be an effective negotiator in the twenty-first century, one needs can address the emotional dynamic, not just by acknowledging and managing one’s own emotional self, but also by acknowledging and addressing the emotional aspects of all the significant parties (Kelly and Kaminskienė, 2016).

2. Literature Review

Mayer and Salovey (1997, p. 10) define EI as: “Emotional intelligence involves the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth”. The psychologists argue that those who have developed skills linked to EI understand and express one’s own emotions, recognise emotions in others, regulate affect and use moods and emotions to motivate adaptive behaviours (Salovey and Mayer, 1990). However, Mayer et al. (2008, p. 507), later revised the definition as: “Emotional intelligence involves the ability to carry out accurate reasoning about emotions and the ability to use emotions and emotional knowledge to enhance thought”.

Importance of Emotional Intelligence within Organisations and Small Businesses

It lies in both peoples’ and organisations interest to improve the quality of decision-making and with the use of EI skills, it can help to achieve such goals. By having the skill to evaluate the possible emotional outcomes and responses to decisions, it can allow people in decision making positions to anticipate the sentiment of the people affected by decisions. This would most likely increase the outcome of decisions in a positive way. To get the ultimate success in the decision-making process, it is essential to have the ability of EI to handle conflicts, which commonly arises, when making worthy decisions (Hess and Bacigalupo, 2011).

Furthermore, it is identified that EI have considerably use for understanding entrepreneurship-relevant outcomes and processes (Zampetakis et al., 2009).

Emotional Intelligence Theories


Mayer and Salovey’s theory about EI is based on the four abilities in the definition from 1997 (Mayer and Salovey, 1997). As shown in figure 1, these are presented as four branches in the diagram, where each branch is organised from basic psychological processes into further advanced psychologically integrated processes. This meaning that the lowest-level branch involves the slightly simpler skills of perceiving and expressing emotion. In opposite, the highest-level branch involves the conscious and
reflective regulation of emotion (Mayer and Salovey, 1997). Under each branch there are four boxes, which include representative skills for each box. To the left are the skills that appear early in development, whereas to the right are the later developing skills. The early developing skills show the difference between branches since these skills are often not enough integrated with each other. In contrast, the later developing skills are less different because the skills appear within a more integrated adult personality. Apart from where it is noted, every skill applies to emotions within oneself as well as in others. People high in EI are anticipated to progress faster through the abilities appointed and master more of the abilities (Mayer and Salovey, 1997).

Goleman has adapted his own take on Mayer and Salovey’s theory of EI, in which he experiences is more beneficial for understanding how the abilities have an impact in the work environment (Goleman, 1998). According to Goleman (1998), he adapted following five basic emotional and social competences, which include following aspects:

Self-awareness: being aware of what one is feeling in the moment and take advantage of that to guide one’s decision making; realistically assess one’s own abilities and have a substantiated sense of self-confidence.

Self-regulation: handle one’s emotions in a way that is facilitating instead of intervening with the task at hand; being thorough and resist immediate reward to pursue goals; fast recovery from emotional suffering.

Motivation: Using one’s the deepest preferences to work towards achieving one’s goals, assist people to act and seek for improvement and maintain confidence during setbacks and frustration.

Empathy: Be aware of other peoples’ feelings, to understand other peoples’ perspective, and being able to understand and get along with a broad variety of people.

Social skills: Being able to decently handle emotions in relationships and detect social situations and networks correctly; effortless interactions; practising these skills to encourage and lead, negotiate and resolve disagreements, for collaboration and team effort.

Importance of Negotiations within Organisations and Small Businesses

Fowler (1996, p. 3) defines negotiation as: “A process of interaction by which two or more parties who consider they need to be jointly involved in an outcome, but who initially have different objectives, seek using argument and persuasion to resolve their differences to achieve a mutually acceptable solution”.

Within most groups and organisations, negotiations play a central part. There are different types of negotiating situations, where some are more obvious than others. For instance, the most obvious one is labour bargains with management and the less obvious ones are managers who negotiate with employees, associates and bosses; shop assistants who negotiate with customers; purchasers who negotiate with suppliers. Negotiating skills are therefore essential in today’s not-so-fully structured organisations, where people work with partners, in which people have no direct control over as well as not sharing a mutual boss (Robbins and Judge, 2015).

Furthermore, negotiation plays an important part in entrepreneurship. When establishing, running and expanding an enterprise, people always need to negotiate. To attain human and financial assets, entrepreneurs are bound to settle agreements with different stakeholders. The way that entrepreneurs co-operate and communicate, have an immediate effect on the outcome, meaning that negotiation skills are required for entrepreneurial achievement (Artinger et al., 2015).

National Culture and Hofstede’s Model

Hofstede (2011, p. 3) defines culture as: “The collective programming of the mind that distinguishes the members of one group or category of people from others”. The Hofstede model is based on six dimensions of national culture. The cultural dimensions show impartial alternatives in one situation instead of the other, that acknowledge countries, and not individuals, from one another (Hofstede Insights, 2018b). Following is an explanation of each dimension:
Power Distance: This dimension shows to what extent it is accepted and expected, by the less powerful participants in societies, as to why the power is not equally divided. Here, the emphasis lies on how a society deals with inequalities among people.

Individualism: Individualism is defined as: “A preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families” (Hofstede Insights, 2018b). Its opposite, collectivism, is defined as: “Preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular ingroup to look after them in exchange for unquestioning loyalty” (Hofstede Insights, 2018b).

Masculinity: The masculine side of this dimension, expresses the society where accomplishment, bravery, confidence and material compensation for achievement are essential aspects. On the contrary, in femininity, societies are overall more consensus-oriented. When speaking in business terms of masculinity versus femininity, it is occasionally called ‘tough versus tender’ cultures (Hofstede Insights, 2018b).

Uncertainty Avoidance: This dimension deals with how tolerant societies are when experiencing uncertainty and vagueness. If the uncertainty avoidance is high, it preserves strict principles of beliefs and behaviours as well it is not as tolerant to unconventional behaviour and ideas. In opposite, when the uncertainty avoidance is low, it preserves a more easy-going approach (Hofstede Insights, 2018b).

Long-term Orientation: Societies must keep up with its own past, while at the same time, manage encounters as of today and the future. A society with low scores rather keeps long-established traditions and standards, while being suspicious of social change. A society that scores high, has a result-oriented approach, which supports thrift and efforts in current education, to plan (Hofstede Insights, 2018b).

Indulgence: It represents a society that accepts free satisfaction of essential and natural human drivers, associated with enjoyment and having fun. Its opposite, restraint represents a society that restrains the need of satisfaction and controls it through strict social standards (Hofstede Insights, 2018b).

Based on Hofstede’s model of the six dimensions of national culture, where a comparison between Sweden and the UK is done, the rankings in both countries are relatively similar. Sweden and UK score low in power distance and uncertainty avoidance and higher in individualism and indulgence. The long-term orientation could not be distinguished within each country. However, the countries differ extremely in the masculinity dimension, where Sweden is a feminine society and the UK is masculine (Hofstede Insights, 2018a).

Relationship between Emotional Intelligence and Negotiations

Research done on the importance of EI in negotiation and mediation, shows that emotions play a significant part when resolving disputes. However, this matter is frequently not understood and efficiently addressed by the people involved in the dispute. Furthermore, is not controlled and handled enough by the experts, who assist the people involved, to resolve the dispute peacefully. Therefore, it is
important that negotiators take emotional tenor into consideration, both for himself or herself and the parties involved, and not just the economic, political and physical sides of the process (Kelly and Kaminskiene, 2016).

Mueller and Curhan’s (2006) reason that the other party of emotionally intelligent negotiators have better positive state of mind and therefore further satisfaction on outcomes, appreciation for the emotionally intelligent negotiator and interest in future negotiations. Further research shows that by having the ability to understand emotion is beneficial, when predicting the other party’s outcome along with other potential descriptive variables, e.g. the other party’s influential outcome. Upon that, the research proposes that positive state of mind mediates the relationship between understanding emotion and the other party’s outcome satisfaction. The research also establishes the social usefulness of EI by showing that negotiators with high ability to understand emotion, usually experience that the other party is more interested in future negotiations. This meaning that the emotionally intelligent negotiator encourages the other party with a positive mind-set during the negotiation (Mueller and Curhan, 2006).

To identify objective and subjective outcomes in a negotiation, a study was done on the relationships between EI of the negotiators and the other party’s perspectives. It showed that emotionally intelligent people, have more positive experience. However, these people also accomplish considerably lower objective scores than the other party. Therefore, it is suggested that EI plays an important part in reaching integrative negotiation outcomes, but at the same time, emotionally intelligent people are not able to claim value that one has helped to create (Der Foo et al., 2004). This type of discovery seems to present a paradox, meaning that an emotionally intelligent person can create value, but a different person uses up that value. A reasoning for this discovery is that a negotiator high in EI may show too much sympathy to the negotiator low in EI. Therefore, the negotiator high in EI may be more pacifying than the low EI negotiator. It is also possible that negotiators high in EI are more trusting and communicative, which creates integrative outcomes, but on the other hand, leaves the person vulnerable to be taken advantage of. A possible explanation to clarify this paradox is that potential outcomes of EI in negotiations, may vary as a short-time versus long-term action (Der Foo et al., 2004).

3. Methodology

The chosen philosophy for the study is interpretivism, which evolved as a critique of positivism, but from a subjectivist point of view (Saunders et al., 2016). The study also applies the inductive strategy and qualitative research approach since the researcher wants to understand the relationship between EI and negotiations more in-depth. Upon that, it adopts the comparative research design, with the study including a comparison between Sweden and UK. Furthermore, the data is collected through primary data, using semi-structured interviews, where the target respondents are selected through non-probabilistic purposive sampling.

4. Analysis and Findings

The researcher interviewed four people to carry out the analysis; two people from Sweden; two people from the UK. In the analysis, the target respondents are referred to as participants. Each participant was given a letter, starting with participant A and ending with participant D.

Phase 1: Themes

There are six themes that were identified from the data collection. Following are four tables; two focusing on Sweden; the other two on UK. The tables demonstrate each theme, which show similarities and differences of the participants perspectives.
Both Swedish participants have professional experience of working with EI and are interested in the concept, because the music industry involves managing and handling other peoples’ emotions as well as building relationships. EI is significant when working with group dynamic and knowing when to compromise and when not to compromise. As for the negotiation part, it is a contract-based industry and therefore important to build long-term and trustworthy relationships. The participants also argue that there is a relationship between EI and negotiations, with the motivation that it all comes down to people. Being emotionally intelligent when negotiating builds trust for both parties, creates a positive foundation for the negotiation and promotes win-win agreements. The participants were not familiar with the Hofstede model and the six dimensions of national culture. When explained, the outcome shows that...
Sweden is low in power distance and uncertainty avoidance, a feminine society and pro indulgence. The dimension long-term orientation could not be determined, since the participants were not able to distinguish if the orientation was long-term or short-term. At last, the participants differ in the individualism dimension, where one considered Sweden as an individualistic society, whereas the other participant said collectivism.

Figure 5. Source: Researcher

In the UK, the participants have no previous experience of working with EI. However, both are familiar with and interested in the concept. Within the music industry, EI is important because deals are done as a compromise and for agreements to be reached, there must be some understanding of both parties’ positions. As for negotiations, it is important because large amounts of money are involved and at the end, it all comes down to people. Therefore, the essentiality lies in protecting assets within the contract. Both participants argue that there is a relationship between EI and negotiations. This in terms of
generating logic outcomes, when being aware and in control of emotions. Upon that, most negotiations are handled through lawyers, who are aware of the emotional aspects, and therefore it is about working out what is accepted and not just necessarily about royalty rates and payments in advance. Moreover, the participants were not familiar with the Hofstede model and the six dimensions of national culture. However, when the researcher explained each dimension, the outcome shows that the UK is high in power distance, an individualistic, masculine and indulgent society and low in uncertainty avoidance. Lastly, the dimension long-term orientation could not be determined, since the participants were not able to distinguish if the orientation was long-term or short-term.

Phase 2: Comparison Between Literature Review and Analysis

The participants perspectives on the importance of EI in the music industry, show a connection with Goleman’s five basic emotional and social competences about self-awareness, self-regulation, motivation, empathy and social skills (Goleman, 1998). This by participant B stating that: “It is important to have a suit of armour, which involves the whole aspect of EI. This in terms of being aware of how your emotions are being effected, but at the same time, to not letting it affect you personally” and “No matter if you are a mogul within the industry, trying to break into the industry or if you are already in it, one has to have such great sense of self-awareness, be able to take things to heart and not take things personally”. Participant C argue that: “Being emotionally intelligent within the music industry is a lot about understanding the people involved and know how to lead them. It is a very emotional industry and you need to know how to reach certain goals and understand the premises of the other party. People also need to be able to handle the artist’s disappointment, since people work hard for so many years before they reach success. Having the ability of being emotionally intelligent is therefore important, so you can keep the artist on track and stay motivated”.

The data has been compared with previous studies done on the relationship between EI and negotiations, which shows that the two variables also have a positive influence within the music industry. Firstly, research show that emotions play a significant part when resolving disputes. However, this matter is frequently not understood and efficiently addressed by those involved in the dispute. Therefore, negotiators need to take emotional tenor in to consideration and not just the economic, political and physical sides of the process (Kelly and Kaminskiene, 2016). In this scenario, no direct links can be drawn to the information provided in the interviews. Although, participant C states that: “The artist needs to be emotionally intelligent to come to an agreement and meet halfway” and “It is important that the negotiators have good communication skills, are open-minded, straight-forward and humble and do not speak too much in the terms of size and money”. This makes it easier to solve disputes and reach an agreement for both parties as well as taking other aspects into consideration when negotiating. Participant C also argue that: “When negotiating, it is important to be emotionally intelligent because there is no one who wants to end up signing an agreement, which is based on unpleasant conditions”.

The second study shows that the other party of emotionally intelligent negotiators, had better positive state of mind and therefore better satisfaction on outcomes, appreciation for the emotionally intelligent negotiator and interest in future negotiations (Mueller and Curhan, 2006). This is also confirmed by the participants, with participant D stating that: “By entering the negotiation based on a positive foundation, it promotes win-win agreements, which most likely results in doing future business”. Upon that, participant C argues: “One has to be emotionally intelligent as well as having a positive fundamental attitude to understand the other party”.

To identify objective and subjective outcomes in a negotiation, a study was done on the relationships between EI of the negotiators and the other party’s perspectives. It showed that emotionally intelligent people, have more positive experience. However, these people also accomplish considerably lower objective scores than the other party. Therefore, it is suggested that EI plays an important part in reaching integrative negotiation outcomes, but at the same time, emotionally intelligent people are not able to claim value that one has helped to create (Der Foo et al., 2004). In this matter, there are similarities between the literature and the analysis. By being emotionally intelligent, it creates a positive foundation for the negotiation and facilitates the possibility of reaching more integrative outcomes. Although, implying that emotionally intelligent people are not able to claim value that one helps to create, is not in accordance with the analysis. Participant A used to work for an independent record label, who was
supposed to sign a deal with a major record label. In this negotiation, it was about meeting the other party’s needs. Therefore, the major record label treated the situation differently because the negotiation was about signing an independent artist. Participant A stated: “We were effectively signing because of money, while the major record label saw the opportunity of signing an independent artist, who had more value than other artists. Therefore, we were kind of focusing on money and the major record label was focusing on meeting our values”. This show that the negotiation was based on meeting each other’s values, which resulted in a win-win situation for both parties.

Furthermore, the study also includes the national culture in Sweden and UK. Starting with Sweden, the participants experience the country as low in power distance. With many years of working in different countries all over the word, participant C argues that: “Sweden has without a doubt not as much hierarchy as other countries and we do not use titles when communicating with people and class society does not really exist”. Both participants argue that it is considerably more hierarchy in the UK than in Sweden. In the individualism dimension, participant C considers Sweden as collectivism. This based on the work environment, which is about having consensus and where everyone has a say in things. Participant D believes Sweden is intermediate, but more towards individualism. Both participants agree that Sweden is a feminine society. The participants consider Sweden as low in uncertainty avoidance. Participant D confirms this by stating: “Sweden is the most or the second most secularised country in the world, e.g. where religion is not considered as an important part”. The dimension long-term orientation is not determined, because the participants argue that Sweden is intermediate. Lastly, both participants consider the country as high in indulgence. Participant D states: “Swedish people identify themselves a lot with their work and therefore, they want to enjoy their work and have fun”. This confirms that the literature is relatively like the participants perception of national culture in Sweden. However, the literature and analysis differ in the individualism dimension, where participant C consider Sweden as more collectivism and participant D consider Sweden as intermediate.

Lastly, the UK participants believe that the power distance in UK is high. Participant A argues that: “The music industry in UK is less equal and that it has the culture of the star, which is may be more eminent in the UK”.

Participant B confirms this by saying: “There is completely no fair gap at all. It is always very weighted and in favour for the people with the power”. The participants consider UK as an individualistic society. However, participant A has a different take on this: “The independent record labels are more towards collectivism whereas the major record labels mind-set is more individualistic”. Looking at the masculine dimension, participant A argues: “The recording industry is more masculine and the live industry more feminine”, whereas participant B believes that UK is a masculine society. Both participants argue that the uncertainty avoidance is low in the UK. The dimension long-term orientation is not determined, because the participants argue that it is intermediate. Finally, participant A considers UK’s society as more indulgent. Participant B has experienced both indulgence as well as restraint and can therefore not say it is one way or the other. For the UK, the literature and the analysis are also relatively like the participants perceptions of national culture. Although, these two differ in the power distance dimension, where the literature shows low ranking in the UK and the participants consider the power distance as high.

5. Discussion and Conclusion

In this study, a thorough analysis has been carried out to understand how the practice of EI can affect the effectiveness in negotiations within the music industry. Based on the findings of the analysis, it was established that EI has significant influence on the music industry. This mainly because the industry is such a tough and emotional place, where one must be able to handle the different feelings and experiences that the artist has, which could be lack of self-confidence, criticism and disappointment. Therefore, it is important to have the ability to manage one’s own and others’ emotions and feelings. The analysis confirms that there is a relationship between EI and negotiations within the music industry. By applying EI in negotiations, it builds trust and creates a positive foundation for the negotiation, generates win-win agreements, better understanding of the other party, generates logic outcomes and embraces everyone involved in the negotiation. Upon that, it is important to remember that it all comes down to
dealing with people. That is why it is essential to be emotionally intelligent to reach an agreement, that is beneficial for both parties.

Based on Hofstede’s model, a comparison of the national cultures in Sweden and UK has been done. When comparing the participants perspective of national culture in each country, the outcome of the analysis is relatively like the literature. The Swedish society is low in power distance and uncertainty avoidance, feminine and pro indulgence. The only difference is in the individualism dimension, where the analysis show that Sweden is more collectivism, than the literature demonstrates. The comparison between the literature and the analysis was also similar for the UK, by being low in uncertainty avoidance and seen as an individualistic, masculine and indulgent society. Here, the difference lies in power distance, where the analysis show that UK is high in power distance, whereas the literature ranks the country as low. The dimension long-term orientation could not be determined due to that the analysis and literature confirm that both countries are right in the middle of this dimension.

6. Limitations

When carrying out the study, there was a few limitations that the researcher came across. Firstly, it was difficult to find people who were willing to participate in the interviews. The researcher contacted an excessive amount of people within the music industry in Sweden and UK. Most of the people who replied, declined to participate due to lack of time. Secondly, with EI being a relatively new and unfamiliar topic, it was challenging to find participants who have knowledge and experience of EI, which therefore affected the content of the interviews. Lastly, academic courses often having limited time set, which had an impact on the study in terms of collecting the data and finding people to interview. If the study was conducted over a longer period, the researcher would have had more time to find participants as well as using the longitudinal time horizon instead of cross-sectional (Saunders et al., 2016).

7. Recommendations and Further Research

The recommendation given based on this study is to continue to learn and spread knowledge about EI and be aware of that the music industry is such a tough place, where emotions play a huge part. It is important to remember that the product that is negotiated about is a real human being, who has emotions and feelings. By applying EI in negotiations, it builds trust and creates a positive foundation for the negotiation, which often generates win-win agreements, long-term relationships and future interest in working together. Most artists are unprofitable in the beginning of the career, which makes it extremely important for record labels to create trust and long-term relationships with the artists. Furthermore, the recommendation to managers within the music industry, is to consider different EI training programs that can be offered to the employees within the organisation, to improve EI skills.

With no existing literature on this topic along with the findings of the analysis showing a positive outcome, there is room for further research. Based on the information provided in the interviews, it is recognised that the participants repeatedly separated major record labels and independent record labels from each other. Therefore, studying the above areas within the industry separately is recommended. This to gain a deeper understanding on how EI can affect the effectiveness on negotiations within the music industry. Furthermore, to raise awareness as to why it is important to be emotionally intelligent when negotiating within the music industry, it is suggested that further research should focus on the US, because it is the country where the music industry is most dominant and competitive. Lastly, the researcher suggests adding more interviews to the analysis, by collecting a larger sample of target respondents. This because it will give the analysis a wider and well-grounded perspective.

8. References


