

Chapter 3

Strategy and Tactics of Integrative Negotiation

Overview

The fundamental structure of integrative negotiation is such that it allows both sides to achieve their objectives. The goals of the parties are not mutually exclusive. If one side achieves its goals, the other is not necessarily precluded from achieving its goals. One party's gain is not necessarily at the other party's expense. Although the situation may initially appear to the parties to be win-lose, discussion and mutual exploration will often suggest alternatives where both parties can gain. A description of the efforts and tactics by which negotiators discover these alternatives accounts for the major part of this chapter. Important characteristics of integrative negotiators are listed in Box 3.1.

Even well-intentioned negotiators can make the following three mistakes: failing to negotiate when they should, negotiating when they should not, or negotiating when they should but choosing an inappropriate strategy. As suggested by the dual concerns model described in Chapter 1, being committed to the other party's interests as well as to one's own makes problem solving the strategy of choice. In many negotiations, there does not need to be winners and losers – all parties can gain. Rather than assume that negotiations are win-lose situations, negotiators can look for win-win solutions – and often they will find them. Integrative negotiations – variously known as cooperative, collaborative, win-win, mutual-gains, interest-based, or problem-solving – is the focus of this chapter.

Box 3.1: Characteristics of Integrative Negotiators

A successful integrative negotiator models the following traits:

- Honesty and integrity
- Abundance mentality
- Maturity
- Systems orientation
- Superior listening skills

Learning Objectives

1. Understand the basic elements of integrative negotiation.
2. Explore the strategy and tactics of integrative negotiation.
3. Consider the key factors that facilitate successful integrative negotiation.
4. Gain an understanding of why successful integrative negotiations are often difficult to achieve.

Chapter Outline

I. An Overview of the Integrative Negotiation Process

Those wishing to achieve integrative results find that they must manage both the *context* and the *process* of the negotiation in order to gain the cooperation and commitment of all parties.

- Key contextual factors include:
 - Creating a free flow of information
 - Attempting to understand the other negotiator's real needs and objectives
 - Emphasizing things parties have in common, and
 - Searching for solutions that meet the goals and objectives of both parties.
- Managing integrative negotiations involves creating a process to:
 - Identify and define the problem
 - Surface interests and needs
 - Generate alternative solutions, and
 - Evaluate and select alternatives.

A. Creating a Free Flow of Information

Effective information exchange promotes the development of good integrative solutions. Failure to reach integrative agreements is often linked to the failure to exchange enough information to allow the parties to identify integrative options.

For the necessary exchange to occur:

- Negotiators must be willing to reveal their true objectives and to listen to each other carefully.

In contrast, a willingness to share information is not a characteristic of distributive bargaining situations, in which the parties distrust one another, conceal and manipulate information, and attempt to learn about the other for their own competitive advantage.

B. Attempting to Understand the Other Negotiator's Real Needs and Objectives

You must understand the other's needs before helping to satisfy them.

- Realizing the other party's priorities are not the same as your own, this can stimulate more exchange of information, leading to a better understanding of the nature of the negotiation, and resulting in higher joint profits.
- Integrative agreements are facilitated when parties exchange information about their priorities for particular issues, but not necessarily about their positions on those issues.
- Negotiators must make a true effort to understand what the other side really wants to achieve.
 - This is in contrast to distributive bargaining, where negotiators either make no effort to understand the other side's needs and objectives or do so only to challenge, undermine, or even deny the other party the opportunity to have those needs and objectives met.
- If one negotiator is inexperienced, the more experienced party may need to assist them in discovering their underlying needs and interests.

C. Emphasizing Things in Common between the Parties and Minimizing the Differences

To sustain a free flow of information and the effort to understand the other's needs and objectives, negotiators may require a different outlook or frame of reference.

- Individual goals may need to be redefined through collaborative efforts directed toward a collective goal.
- At times the collective goal is clear and obvious, and other times it is not clear or easy to keep in sight.

D. Searching for Solutions That Meet the Needs and Objectives of Both Sides

The success of integrative negotiation depends on the search for solutions that meet the needs and objectives of both sides.

- In this process, negotiators must be firm but flexible.
 - Firm about their primary interests and needs
 - But flexible about how these needs and interests are met

In a competitive interaction, a low level of concern for the other's objectives may drive one of two forms of behavior.

- Negotiators may work to ensure that what the other obtains does not take away from one's own accomplishments.
- Negotiators may attempt to block the other from obtaining his or her objectives because of a strong desire to win or to "defeat the opponent."

In contrast, successful integrative negotiation requires both negotiators not only to define and pursue their own goals but also to be mindful of the other's goals and to search for solutions that satisfy both sides.

- If the objective of one party is to get more than the other, successful integrative negotiation is very difficult.

II. Key Steps in the Integrative Negotiation Process

There are four major steps in the integrative negotiation process:

- First, identify and define the problem
- Second, surface interests and needs
- Third, generate alternative solutions to the problem, and
- Fourth, evaluate those alternatives and select among them.
 - See Table 3.1.

The first three steps are important for *creating value*. The fourth step involves *claiming value*.

The relationship between creating and claiming value is shown graphically in Figure 3.1.

- The goal of creating value is to push the potential negotiation solutions toward the upper right-hand side of Figure 3.1.
- When this is done to the fullest extent possible, the line is called the *Pareto efficient frontier*, and contains the point where "there is no agreement that would make any party better off without decreasing the outcomes to any other party."

It is important that processes to create value precede those to claim value for two reasons:

- First, the creating-value process is more effective when it is done collaboratively and without a focus on who get what, and
- Second, because claiming value involves distributive bargaining processes, and may derail the focus on creating value and may even harm the relationship unless it is introduced effectively.

A. Step 1: Identify and Define the Problem

The problem identification step is often the most difficult one, but critical.

- This is a critical step for integrative negotiation because it sets broad parameters regarding what the negotiation is “about” and provides an initial framework for approaching the discussion.
- Should be comprehensive enough to capture complexities of the situation while not making the situation appear more complex than it actually is.

Define the Problem in a Way That Is Mutually Acceptable to Both Sides

- For positive problem solving to occur, both parties must be committed to stating the problem in neutral terms.
- The problem statement must be acceptable to both sides and not worded so that it lays blame or favors the preferences or priorities of one side over the other.
- Parties may be required to revise the problem statement several times until they agree on its wording.
- It is critical to note:
 - ◊ Problem definition is, and should be, separate from any effort to generate or choose alternatives.

State the Problem with an Eye toward Practicality and Comprehensiveness

- If the problem is complex and multifaceted, and the statement of the problem does not reflect that complexity, then efforts at problem solving will be incomplete.
 - ◊ The parties may not even be able to agree on a statement of the problem.
 - ◊ The objective should be to state the problem as succinctly as possible while ensuring the most important dimensions and elements are included.
 - ◊ Parties may want to clearly identify how the issues are linked.
 - ◊ Then they can decide whether to approach them as distinct issues, packaged together later, or to treat them together as a single, larger problem.

State the Problem as a Goal and Identify the Obstacles to Attaining This Goal

- Define the problem as a specific goal rather than as a solution process.
- Then specify obstacles that block attainment of that goal.
- One key issue is whether the obstacles can be changed or corrected by negotiating parties.
 - ◊ If not, the obstacles become boundary markers for the overall negotiation.

Depersonalize the Problem

- When parties are engaged in conflict, they tend to view their own actions in a positive light and the other party’s actions in a negative light.

- ◊ “Your point of view is wrong and mine is right.”
- In contrast, depersonalizing the definition of the problem allows both sides to approach the issue as a problem external to the individuals rather than as a problem that belongs to one party only.
 - ◊ “We have different viewpoints on this problem.”

Separate the Problem Definition from the Search for Solutions

- It is important not to jump to solutions until the problem is fully defined.
 - ◊ Contrast with distributive bargaining, where negotiators state problems in terms of their preferred solution and make concessions based on this statement.
- Instead of premature solutions, negotiators should develop standards by which potential solutions will be judged for how well they fit.
- Create standards by asking questions such as:
 - ◊ How will we know the problem has been solved?
 - ◊ How will we know that our goal has been attained?
 - ◊ How would a neutral third party know that our dispute has been settled?
 - ◊ Is there any legitimate interest or position that remains unaddressed by our outcome?
 - ◊ Is there any party with a legitimate interest or position that has been disenfranchised by our outcome?
- Developing standards in this way and using them as measures for evaluating alternatives will help negotiators avoid a single-minded, tunnel-vision approach.

B. Step 2: Surface Interests and Needs

Identifying interests is a critical step in the integrative negotiation process.

- Interests are the underlying concerns, needs, desires, or fears that motivate a negotiator to take a particular position.
- Understanding interests allows negotiators to invent a solution that meets the interests of both sides.
 - A solution that was not apparent before negotiation.

When two parties begin negotiation, they usually expose their position or demands.

- In distributive bargaining, negotiators trade positions back and forth, attempting to achieve a settlement as close to their targets as possible.
- However, in integrative negotiation, both negotiators need to pursue the other’s thinking and logic to determine the factors that motivated them to arrive at their goals.
 - Presumably, if both parties understand the other’s motivating factors, they may recognize similar interests and envision new options that both will endorse.

Types of Interests

Several types of interests may be at stake in a negotiation and each type may be:

- Intrinsic – the parties value it in and of itself, or

- Instrumental – the parties value it because it helps them derive other outcomes in the future.

Substantive interests are related to the focal issues under negotiation.

- Economic and financial issues such as price or rate, or
- The substance of a negotiation such as the division of resources.
- May be intrinsic or instrumental or both.

Process interests are related to *how* the negotiation unfolds.

- One party may pursue distributive bargaining because they enjoy the competition.
- Another may pursue integrative negotiation because they want to have a say in the outcome.
 - ◊ Here, the negotiator may find the issues under discussion less important than the opportunity to voice their opinion.
- They can be both intrinsic and instrumental.

Relationship interests speak to the value of the ongoing relationship between the parties and the future of that relationship.

- Intrinsic relationship – the parties value the relationship both for its existence and for the pleasure or fulfillment that sustaining it creates.
- Instrumental relationship – parties derive substantive benefits from the relationship and do not wish to endanger future benefits by souring it.

Interests in principle occurs when certain principles deeply held by the parties serve as the dominant guides to their actions.

- Some principles include: concerning what is fair, what is right, what is acceptable, what is ethical.
- These principles often involve intangible factors.
- Interests in principles can be intrinsic or instrumental.

Some Observations on Interests

- *There is almost always more than one type of interest underlying a negotiation.*
 - ◊ Note that interests of principles effectively cut across substantive, process, and relationship interests, so the categories are not exclusive.
- *Parties can have different types of interests at stake.*
 - ◊ Parties may differ on questions of principle or process.
 - ◊ Bringing interests to the surface enable parties to see the need to invent solutions addressing the interests of both negotiators.
- *Interests often stem from deeply rooted human needs or values.*
 - ◊ Frameworks for understanding basic human needs and values are helpful for understanding interests.
 - ◊ Such as Maslow's well-known hierarchy of needs.
- *Interests can change.*
 - ◊ Interaction between the parties can put some interests to rest, but it may raise others.

- ◊ Negotiators must watch for changes in their own interests and the interests of the other side.
- *Surfacing interests.*
 - ◊ Negotiators should ask themselves what they want from this negotiation but, more importantly, *why* they want it.
 - ◊ Ask probing questions of the other party to determine their interests.
- *Surfacing interests is not always easy or to one's best advantage.*
 - ◊ It is often difficult to define interests and focusing on interests alone oversimplifies or conceals the real dynamics of a conflict.

C. Step 3: Generate Alternative Solutions

The search for alternatives is the creative phase of integrative negotiation.

- The objective is to create a variety of options or possible solutions to the problem
- Evaluating and selecting from among those options will be the task in the final phase.

Techniques for generating alternative solutions fall into two general categories.

- The first requires the negotiators to redefine, recast, or reframe the problem (or problem set) to create win-win alternatives out of what earlier appeared to be a win-lose problem. See Box 3.2.
- The second takes the problem as given and creates a long list of options from which the parties can choose.
 - In integrative negotiation over a complex problem, both types of techniques may be used and even intertwined.

Inventing Options: Generating Alternative Solutions by Redefining the Problem or Problem Set

Techniques in this category call for the parties to define their underlying needs and to develop alternatives to meet them.

- Eight methods are provided, each refocuses the issues under discussion and requires progressively more information about the other sides' true needs.
- Solutions move from simpler, distributive agreements to more complex, integrative ones.

Logroll

- Successful logrolling requires the parties to find more than one issue in conflict; the parties then agree to trade off among these issues so that one party achieves a highly preferred outcome on the first issue and the other person achieves a highly preferred outcome on the second issue.
- Any combination of two or more issues may be suitable for logrolling.
- In it appears initially that only one issue is at stake, the parties may need to engage in "unbundling" or "unlinking," which separates a single issue into two or more issues so that logrolling may begin.

Expand the Pie

- Many negotiations begin with a shortage of resources.
- A simple solution is to add resources – expand the pie – in such a way that both sides can achieve their objectives.
- Careful, the solution may be integrative for the negotiators but problematic for other stakeholders.

Modifying the Resource Pie

- While expanding the resource pie may be attractive, it does not always work.
- A related approach is to modify the resource pie in such a way as to benefit both sides.
- Expand and modify the resource pie – add resources in such a way that both sides can achieve their objectives.

Find a Bridge Solution

- When the parties are able to invent new options that meet all their respective needs, they have created a bridge solution.
- Successful bridging requires a fundamental reformulation of the problem so that the parties are not discussing their positions but disclosing information to discover underlying interests and inventing options that will satisfy those needs.
- Bridging solutions do not always remedy all concerns.
- If negotiators fundamentally commit themselves to a win-win negotiation, bridging solutions are likely to be highly satisfactory to both sides.

Nonspecific Compensation

- Another way to generate alternatives is to allow one person to obtain their objectives and compensate the other person for accommodating their interests.
- The compensation may be unrelated to the substantive negotiation, or nonspecific.
- For nonspecific compensation to work, the person doing the compensating needs to know how much compensation is needed to make the other satisfied.
- The discovery process can turn into a distributive bargaining situation.

Cut the Costs for Compliance

- Through cost cutting, one party achieves their objectives and the other's costs are minimized if they agree to go along.
- Unlike nonspecific compensation, cost cutting is designed to minimize the other's costs for agreeing to a specific solution.
- The technique is more sophisticated than logrolling or nonspecific compensation as it requires a more intimate knowledge of the other's real needs.

Superordination

- Superordination solutions occur when "the differences in interest that gave rise to the conflict are superseded or replaced by other interests."

Compromise

- Compromises are not considered to be a good integrative strategy except for circumstances where parties are very entrenched and it is unlikely that a more comprehensive agreement is possible.

The successful pursuit of these eight strategies requires a meaningful exchange of information between the parties.

- Parties must either volunteer information or ask each other questions that will generate sufficient information to reveal win-win options.
- A series of refocusing questions that may reveal these possibilities is shown in Table 3.2.

Generating Alternative Solutions to the Problem as Given

These approaches can be used by the negotiators themselves or by a number of other parties. Several are commonly used in small groups as groups are frequently better problem solvers than individuals.

Brainstorming

- Small groups work to generate as many solutions to the problem as possible.
- Someone records the solutions, without comment, as they are identified.
- Should be spontaneous, even impractical, uncensored solutions.
- No discussion or evaluation of any solution is allowed.
- Success depends on the intellectual stimulation that occurs as different ideas are generated.
- The following rules should be observed when engaging in brainstorming:
 - ◇ *Avoid judging or evaluating solutions* – criticism inhibits creative thinking.
 - ◇ *Separate the people from the problem* – depersonalize the problem and treat all possible solutions as equally viable, regardless of who initiated them.
 - ◇ *Be exhaustive in the brainstorming process* – often the best ideas surface during the latter part of the activity.
 - ◇ *Ask outsiders* – who can provide additional input to the list of alternatives, or who can help orchestrate the process and keep the parties on track.

Surveys

- A disadvantage of brainstorming is that it excludes the ideas of people not present at the brainstorming session.
- A different approach is to distribute a written questionnaire to a large number of people, stating the problem and asking them to list all possible solutions they can imagine.
- Can be conducted in a short time, especially electronically.
- The liability is that the parties cannot benefit from seeing and hearing each other's ideas, a key advantage of brainstorming.

Electronic brainstorming

- A facilitator uses a series of questions to guide input from participants, who type their anonymous responses into a computer which aggregates and displays the entries to the group as a whole.

- Additional probing questions may be asked.
- Electronic brainstorming may be especially useful for integrative negotiations that involve multiple parties
- Or during preparation for integrative negotiations when there are disparate views within one's team.

Section Summary

Although identifying options sometimes leads to a solution, solutions are usually attained through hard work and pursuit of several related processes:

- Information exchange
- Focusing on interests rather than positions
- And firm flexibility.

Among the many alternatives that will satisfy a negotiator, the important ones directly address the top priorities.

- Negotiators need to be able to signal the positions on which they are firm and the positions on which they are willing to be flexible.
- Several tactics can be used to communicate firm flexibility, as shown in Box 3.3.

D. Step 4: Evaluate and Select Alternatives

The fourth stage in the integrative negotiation process is to evaluate the alternatives generated in the previous phase and select the best ones to implement.

- There are a series of steps for guidance.
 - Definitions and standards
 - Alternatives
 - Evaluation
 - Selection
- Negotiators should weigh or rank-order each option against clear criteria.
 - If no option appears suitable, this indicates either
 - ◊ The problem was not clearly defined – return to definitions, or
 - ◊ The standards developed earlier are not reasonable – return to standards
- Finally, the parties will need to engage in some form of decision-making process where they debate the relative merits of each negotiator's preferred options and come to an agreement on the best options.
- Pay attention to the relationship and make sure the process does not harm the relationship at this stage.
- The following guidelines should be used in evaluating options and reaching a consensus.

Narrow the Range of Solution Options

Examine the alternatives and focus on those that one or more negotiators strongly support and eliminate solutions not strongly advocated for by at least one negotiator.

Evaluate Solutions on the Basis of Quality, Standards, and Acceptability

Judge solutions on two major criteria: how good they are and how acceptable are they will be to those who have to implement them.

- Parties should appeal to *objective standards* for making decisions.
- So, the parties should search for precedents, industry standards, arbitration decisions, or other objectively fair outcomes and processes to use as benchmarks.
- Negotiators must be prepared to make trade-offs to ensure the criteria of both quality and acceptability are met.

Agree to the Criteria in Advance of Evaluating Options

Negotiators should agree to the criteria for evaluating potential integrative solutions early in the process then use the criteria when they have to narrow the choice of options to a single alternative or to select the option most likely to succeed.

- It is a good idea to check criteria periodically and determine whether each negotiator places the same priority on them as before.

Be Willing to Justify Personal Preferences

People often find it hard to explain why they like what they like or dislike what they dislike.

- Pressing opponents to justify themselves usually makes them angry and defensive.
- Yet interests, values, and needs underlie positions and inquiries about the other's preferences may identify underlying interests and needs.

Be Alert to the Influence of Intangibles in Selecting Options

Intangibles or principles can serve as strong interests for a negotiator.

- It is good practice to help the other party identify intangibles and make them public as part of the evaluation process.
- The other party is likely to prefer options that satisfy those intangibles.

Use Subgroups to Evaluate Complex Options

Small groups may be particularly helpful when several complex options must be considered or when many people will be affected by the solution.

Take Time Out to Cool Off

If the parties become angry, they should take a break.

- They should make their dissatisfaction known and openly discuss the reasons for it.
- Parties should be on an even emotional keel before continuing to evaluate options.
- The parties should depersonalize the discussion as much as possible so that the options for settlement are not associated with the people who advocated them.

Explore Different Ways to Logroll

The strategy of logrolling is also used as mechanism to combine options in negotiated packages.

- There are a number of approaches but three relate to the matters of outcome, probabilities, and timing – in other words, *what* is to happen, the *likelihood* of it happening, and *when* it happens.

Explore Differences in Risk Preference

People have different tolerances for risk, and it is possible to create a package that recognizes differences in risk preferences.

- Two entrepreneurs are discussing a future business venture.
- One has little to risk now and everything to gain in the future
- The other has a lot at risk now and does not want to risk losing it if the future is bad.
- If they agree to split profits in the future, the one with most at risk may feel vulnerable.
- Logrolling around these interest creates a solution that protects one entrepreneur's current investment first while providing long-term profits for the other.

Explore Differences in Expectations

Differences in expectations of future events permits the parties to invent a solution addressing the needs of both sides.

- The entrepreneur with a lot to lose now may be pessimistic of the future and settles for smaller, assured payouts.
- The other, with less to lose, is more optimistic and willing to gamble on the future.
- Contingent contracts adjust as circumstances unfold to protect expectations.

Explore Differences in Time Preferences

One negotiator may want to meet short-term needs while the other may want the long-term rewards of the relationship.

- Those with short-term interests will need gratification earlier
- Parties looking at long-term rewards may be willing to make immediate sacrifices to invest in a future payoff
- Invented solutions can address both their interests.

Keep Decisions Tentative and Conditional until All Aspects of the Final Proposal Are Complete

Parties should talk about the solutions in conditional terms – a sort of *soft bundling*.

- Maintaining a tentative tone allows negotiators to suggest changes or revise the final package throughout this stage.
- Ideally, the integrative negotiation process should be open and flexible.
- Nothing should be considered final until everything is final.

Minimize Formality and Recordkeeping until Final Agreements Are Closed

Negotiators do not want to lock themselves into specific language or written agreements until close to an agreement.

- In general, the fewer the formal records during the solution-generating phase, the better.
- In contrast, when close to an agreement, one side should write down the terms of the agreement.
- Avoid voting on final agreements, and encourage negotiations to continue until a consensus is reached.

- While voting closes the discussion, it can also create disenfranchisement of the losing party.

III. Factors That Facilitate Successful Integrative Negotiation

Successful integrative negotiation occurs when the parties are predisposed to finding a mutually acceptable joint solution.

- Here, we review seven factors that facilitate successful integrative negotiation:
 - The presence of a common goal
 - Faith in one's own problem-solving ability
 - A belief in the validity of the other party's position
 - The motivation and commitment to work together
 - Trust
 - Clear and accurate communication, and
 - An understanding of the dynamics of integrative negotiation.

A. Some Common Objective or Goal

Three types of goals – common, shared, and joint – may facilitate the development of integrative agreements.

- A *common goal* is one that all parties share equally, each one benefiting in a way that would not be possible if they did not work together.
- A *shared goal* is one that both parties work toward but that benefits each party differently.
- A *joint goal* is one that involves individuals with different personal goals agreeing to combine them in a collective effort.

The key element of an integrative negotiation situation is the belief that all sides can benefit and believe they will be better off by working in cooperation than by working independently or competing.

B. Faith in One's Problem-Solving Ability

Parties who believe they can work together are more likely to do so.

- Expertise in the focal problem area strengthens the negotiator's understanding of the problem's complexity, nuances, and possible solutions.
- Expertise increases both the negotiator's knowledge base and his or her self-confidence, both of which are necessary to approach the problem at hand with an open mind.
- Direct experience in negotiation increases the negotiator's sophistication in understanding the bargaining process and approaching it more creatively.
- There is also evidence that knowledge of integrative tactics leads to an increase in integrative behavior.

Taken together, these suggest that a faith in one's ability to negotiate integratively is positively related to successful integrative negotiations.

C. A Belief in the Validity of One's Own Position and the Other's Perspective

Integrative negotiation requires negotiators to accept both their own and the other's attitudes, interests, and desires as valid.

- You must believe in the validity of your own perspective—that what you believe is worth fighting for and should not be compromised.
- You must also accept the validity of the other party's perspective.
 - The purpose of integrative negotiation is not to challenge the other's perspective but to incorporate it into the solution.
 - The other's views should be valued no less or more than your own.

D. The Motivation and Commitment to Work Together

For integrative negotiation to succeed, the parties must be motivated to collaborate rather than compete.

- Specifically, they must be willing to make their own needs explicit, to identify similarities, and to recognize and accept differences.
- They must also tolerate uncertainties and unravel inconsistencies.

However, parties who are deeply committed to each other's welfare may arrive at a joint outcome that is less satisfactory than one they would have reached had they remained firm in pursuing their own objectives.

- Parties in negotiation maximize their outcomes when they assume a healthy, active self-interest in achieving their own goals while also recognizing they are in a collaborative, problem-solving relationship.

Motivation and commitment to problem solving can be enhanced in several ways:

- Negotiators can recognize that they share a common fate and discuss how there is more to be gained by working together than by working separately.
- Negotiators can engage in commitments to each other before the negotiations begin.
 - Such commitments have been called *presettlement settlements* and are distinguished by three major characteristics:
 - ◇ The settlement results in a firm, legally binding written agreement between the parties.
 - ◇ The settlement occurs in advance of the parties undertaking full-scale negotiations, but the parties intend that the agreement will be replaced by a more clearly delineated long-term agreement which is to be negotiated.
 - ◇ The settlement resolves only a subset of the issues on which the parties disagree and may simply establish a framework within which the more comprehensive agreement can be defined and delineated.
- Negotiators can create an umbrella agreement that provides a framework for future discussions.
 - Umbrella agreements manage three negotiation challenges:
 - ◇ They allow flexibility when the negotiation relationship is evolving.
 - ◇ They provide flexibility for claiming value when the actual future gains are not known at the time.
 - ◇ They can be used when all the issues and contingencies have yet to be identified but the parties know they wish to work together.

- ◇ An example of an umbrella agreement is in Box 3.4.

E. Trust

Mistrust inhibits collaboration.

- People who are interdependent but do not trust each other will act defensively.
- Three tactics to elicit information from the other negotiator when they mistrust *you* are:
 - *Share information and encourage reciprocity.*
 - ◇ One approach is to suggest you are willing to describe your needs and interests if they agree to do the same.
 - ◇ Ensure there is agreement about the ground rules before proceeding.
 - *Negotiate multiple issues simultaneously.*
 - ◇ This allows negotiators to identify relative priorities of the other negotiator
 - ◇ As well as obtain some information about their interests.
 - ◇ Watch for issues that engage the other negotiator emotionally.
 - *Make multiple offers at the same time.*
 - ◇ A third approach is to make two or three offers at the same time.
 - ◇ The offers should be of the same value to you.
 - ◇ The other's response should provide you information about their interests.

In summary, integrative negotiation is easier when the parties trust each other.

- Generating trust is a complex, uncertain process – it depends in part on how the parties behave and in part on personal characteristics.
- Mistrust is likely to be reciprocated and lead to unproductive negotiations.
- To develop trust effectively, each negotiator must
 - Believe that both parties choose to cooperate
 - Believe that this is a signal of the other's honesty, openness, and commitment to a joint solution.

F. Clear and Accurate Communication

Another precondition for high-quality integrative negotiation is clear and accurate communication.

- Negotiators must be willing to share information about themselves, revealing what they want and why.
- Negotiators must understand the communication, or meaning each party attaches to their statements.
- Mutual understanding is the responsibility of both sides.

Multiple communication channels will help negotiators clarify the formal communication or exchange information if the formal channels break down.

- Make sure multiple messages are consistent.

- Sending conflicting messages can confuse the other party and may threaten or anger them.

When there are strong negative feelings or when one or more parties are inclined to dominate, negotiators may create formal, structured procedures for communication.

- Under these circumstances, negotiators should follow a procedure that gives everyone a chance to speak.

G. An Understanding of the Dynamics of Integrative Negotiation

Negotiators frequently assume the distributive bargaining process is the only way to approach negotiations.

- Several studies indicate that training in integrative negotiation enhances the ability of the parties to successfully pursue the process.
- Also that using distributive tactics is negatively related to joint outcomes.

Section Summary

We identified seven fundamental preconditions for successful integrative negotiation:

- Some form of shared or common goals
- Faith in one's ability to solve problems
- A belief in the validity and importance of the other's position
- The motivation and commitment to work together
- Trust in the opposing negotiator
- The ability to accurately exchange information in spite of conflict conditions
- And an understanding of the dynamics of integrative negotiation

Chapter Summary

A high level of concern for both sides achieving their own objectives propels a collaborative, problem-solving approach. Negotiators frequently fail at integrative negotiation because they fail to perceive the integrative potential of the negotiation. Successful integrative negotiation requires several processes. First, negotiators must create a free flow of information and an open exchange of ideas. Second, the parties must understand each other's true needs and objectives. Third, they must focus on their similarities, emphasizing the things they have in common rather than their differences. Finally, they must engage in a search for solutions that meet the goals of both sides. This is a very different set of processes from those in distributive bargaining.

The four key steps in the integrative negotiation process are identifying and defining the problem, identifying interests and needs, generating alternative solutions, and evaluating and selecting alternatives. For each step, techniques and tactics make the process successful.

Various factors facilitate successful integrative negotiation. First, the process will be greatly facilitated by some form of common goal or objective. The goal may be one that the parties both want to achieve, one they want to share, or one they could not possibly attain unless they worked together. Second, they must have faith in their problem-solving ability. Third, the parties must be willing to believe that the other's needs are valid. Fourth, they must share a motivation and commitment to work together to make their relationship a productive one. Fifth, they must also be able to trust each other and to work hard to establish and maintain that trust. Sixth, there must be clear and accurate communication about what each one wants and an effort to understand the

other's needs. Finally, there must be an understanding of the dynamics of integrative negotiations.