[http://www.internetmediator.com/medres/pg25.cfm 6th Oct. 2010](http://www.internetmediator.com/medres/pg25.cfm%206th%20Oct.%202010).

**Competitive and Integrative Approaches**

**Distinguish Strategic Approach from Personality**

While there may be some correlation between negotiation approaches and personality style, the two do not necessarily go together. For example, a competitive negotiator may be very "pleasant" to work with in terms of demeanor, but utilize extremely competitive tactics. In fact, a negotiator's pleasantries may themselves be part of an overall manipulative approach! A problem-solving negotiator may, on the other hand, be rather ornery in terms of their personality, yet effectively utilize interest-based, problem-solving strategies in negotiation.

**The Best Negotiators Will Have Both Sets of Skills**

It is also important to appreciate that the most effective negotiators will have a wide array of negotiation skills, both competitive and problem-solving, and will effectively mix and match these approaches depending upon what the negotiator believes will work best with a particular "negotiating partner" depending on the specific issue being negotiated and depending on the nature of the overall negotiating relationship (one-time transaction or continuing relations).

**Strategies to Create Value and Claim Value**

Another view of negotiation is that certain strategies and behaviors are intended to "create value" (integrative approaches) whereas other strategies and behaviors are intended to "claim value" (be that by competition or principle). The mediator will want to first assist participants to create maximum value for exchange, then help the participants to figure out how to best divide that maximized value.

**Dispute Negotiation and Transactional Negotiation**

Also notice that negotiations may be divided into two types:

* dispute negotiation, focused on resolving past facts; and
* transaction negotiation, focused on reaching agreement for the future.

While it is often helpful to appreciate this difference between dispute negotiation and transaction negotiation, it is also beneficial to appreciate that many negotiation situations involve the resolution of both past issues as well as planning future relations.

**The Competitive Approach**

Competitive negotiation strategy is, essentially, a manipulative approach designed to intimidate the other party to lose confidence in their own case and to accept the competitor's demands. This approach is characterized by the following:

* High opening demands;
* Threats, Tension and Pressure;
* Stretching the facts;
* Sticking to positions;
* Being tight lipped;
* Want to outdo, outmaneuver the other side; and
* Want clear victory.

When a competitive negotiator is asked how they will know that they have reached a good agreement, they may reply that the agreement is "better than fair."

**Assumptions of the Competitive Approach**

There are certain assumptions, a world view really, that lie behind the competitive approach to negotiation. This "distributive" world view includes the following assumptions:

* Negotiation is the division of limited resources;
* One side's gain is the other's side's loss; and
* A deal today will not materially affect choices available tomorrow.

**Risks of the Competitive Approach**

While competitive negotiation tactics are often effective in "claiming" already defined value, there are also certain risks to competitive negotiation. Foremost among these risks are damage to the negotiating relationship and a lessened overall likelihood of reaching agreement. Here is a list of the disadvantages of the competitive style:

* Confrontation leads to rigidity;
* There is limited analysis of merits of dispute and relevant criteria for resolving issues;There is limited development of solution alternatives;
* It is hard to predict the outcome of the competitive approach or control the process;
* Competitors are generally blind to joint gains;
* Competitors threaten their future relations; and
* Competitors are more likely to have impasse and increased costs.

**The Integrative Approach**

The integrative, collaborative or problem-solving approach to negotiation has been described as "enlightened self-interest," rather than the "egocentric variety." This approach consists of joint problem-solving, where gains are not necessarily viewed as at the expense of the other party.

**Assumptions of the Integrative Approach**

As one might expect, there is a different world view behind the integrative approach to negotiation. The primary assumptions of the integrative approach are the following:

* Some common interests exist between parties;
* Negotiation is benefitted by a full discussion of each participant's perspective and interests; and
* We live in an integrated and complex world and our problems can be best resolved through application of our best intelligence and creativity.

**Risks of the Integrative Approach**

Risks of the integrative approach are based upon the common sense observation that "it takes two to collaborate." If one party is unwilling to participate in integrative, problem solving negotiation, the more collaborative negotiator may put themself at risk in the following ways:

* The negotiator will be forced to either "give in" or adopt a competitive stance;
* The negotiator may see themself as a failure if they do not reach agreement; and
* The negotiator lays themself open by honestly disclosing information that is not reciprocated.
* **Principled Negotiation**
* In their book, Getting to Yes, Fisher and Ury set forth their concept of "Principled Negotiation." Here is a brief summary of the main points of principled negotiation:
* **Separate the People from the Problem**
* Fisher and Ury suggest that we are all people first -- that there are always substantive and relational issues in negotiation and mediation. The authors describe means of dealing with relational issues, including considering each party's perception (for example by reversing roles); seeking to make negotiation proposals consistent with the other party's interests; making emotions explicit and legitimate; and through active listening.
* **Focus on Interests, Not Positions**
* Positions may be thought of as one dimensional points in a space of infinite possible solutions. Positions are symbolic representations of a participant's underlying interests. To find out interests, you may ask questions like: "What is motivating you here?" "What are you trying to satisfy" or "What would you like to accomplish?" You may also ask: "If you had what you are asking for (your position), what would that experientially get you - what interests would that satisfy?"
* In negotiation, there are multiple, shared, compatible, and conflicting interests. Identifying shared and compatible interests as "common ground" or "points of agreement" is helpful in establishing a foundation for additional negotiation discussions. Principles can often be extrapolated from "points of agreement" to resolve other issues. Also note that focusing on interests tends to direct the discussion to the present and future, and away from the difficulties of the past. If we have learned anything about the past, it is that "we can not change it." The past may help us to identify problems needing solution, but, other than that, it does not tend to yield the best solutions for the future.
* **Invent Options for Mutual Gain**
* Before seeking to reach agreement on solutions for the future, Fisher and Ury suggest that multiple solution options be developed prior to evaluation of those options. The typical way of doing this is called brainstorming. In brainstorming, the parties, with or without the mediator's participation, generate many possible solution before deciding which of those best fulfill the parties' joint interests. In developing options, parties look for mutual gains.
* **Select from Among Options by Using Objective Criteria**
* Using objective criteria (standards independent of the will of any party) is where the label "principled negotiation" comes from. Fisher and Ury suggest that solution selection be done according to concepts, standards or principles that the parties believe in and are not under the control of any single party. Fisher and Ury recommend that selections be based upon such objective criteria as precedent, tradition, a course of dealing, outside recommendations, or the flip of a coin.
* **What if They are More Powerful? - Developing a BATNA**
* In the event that the other party has some negotiating advantage, Fisher and Ury suggest that the answer is to improve the quality of your "best alternative to a negotiated agreement" (your BATNA). For example, if you are negotiating for a job and want to make a case for a higher wage, you improve your negotiating power by having another job offer available, or at least as a possibility.
* **What if They Won't Play or Use Dirty Tricks?**
* Fisher and Ury's answer to the resistant competitive negotiator is to "insist" on principled negotiation in a way that is most acceptable to the competitor. The principled negotiator might ask about the competitor's concerns, show he or she understands these concerns, and, in return, ask the competitor to recognize all concerns. Following the exploration of all interests, Fisher and Ury suggest inducing the competitive negotiator to brainstorm options and to think in terms of objective criteria for decision-making.
* Another way of thinking about encouraging principled or integrative bargaining is to think in terms of matching, pacing, leading and modeling. To get a negotiator to shift orientations, it is critical that they first experience themselves as fully heard in terms of content, intensity and emotion. By so matching and pacing with a negotiator (asking a few clarifying questions), the negotiator will become more open to your lead and modeling of productive means of negotiating.
* **Converting Positions to Interests to Positive Intentions**
* Negotiating parties tend to come to negotiation with well-rehearsed positional statements about the truth of the situation. As wise negotiators, we know that we want to assist all parties to get below their positions to achieve a full understanding of their respective interests. If you view negotiating parties as, essentially, survivors, wanting to improve their situations, you may be able to assist negotiating parties to recognize that even the most difficult interests, like revenge and anger, can be understood in terms of positive intentions, such as a desire for acknowledgment and respect. So reframed, the mediation effort can become a joint search for mutually acceptable solutions to the parties identified positive intentions. This reframing of the entire mediation effort can dramatically shift the entire atmosphere of your negotiation.

**Negotiation Power**

Negotiation power can be defined as "the ability of the negotiator to influence the behavior of another. Commentators have observed a variety of aspects and qualities of negotiation power. It is important for the mediator to take note of these various aspects and qualities of negotiating power as a means of assisting each negotiating party to be at his or her best in representing his or her interests in mediation. Here are a number of aspects and qualities of negotiating power that have been identified:

* Negotiating power is relative between the parties;
* Negotiating power changes over time;
* Negotiating power is always limited;
* Negotiating power can be either real or apparent;
* The exercise of negotiation power has both benefits and costs;
* Negotiating power relates to the ability to punish or benefit;
* Negotiating power is enhanced by legal support, personal knowledge, skill, resources and hard work;
* Negotiating power is increased by the ability to endure uncertainty and by commitment;
* Negotiating power is enhanced by a good negotiating relationship;
* Negotiating power depends on the perceived BATNA; and
* Negotiating power exists to the extent that it is accepted
* **Balance Negotiation Power?**
* ****
Some theorists suggest that the mediator has an obligation to "balance negotiating power," to, essentially, "level the playing field." The author suggests that this is not the best approach. Rather, the mediator's obligation with regard to negotiation power is to ensure that each party in mediation has sufficient capacity to effectively represent their interests in mediation. In other words, each party must have a certain threshold of negotiation effectiveness to be able to effectively and appropriately take part in mediation.
* This determination of capacity to mediate should be made with respect to each party's ability to represent their interests, which is only in part a relative determination between the parties. This determination need not be made at the moment the parties walk in the mediation room door, when one or both parties may well be substantially disempowered. Rather, this determination of capacity to mediate should appropriately be made after the mediator has had an opportunity to educate and empower each mediating party and at the point that substantive negotiations begin. This obligation to ensure each party's capacity to mediate then continues on during negotiations until a comprehensive agreement is reached.
* The problem with theories that suggest the mediator should "balance bargaining power" are questions such as: "whom is to be balanced against whom?;" "at what level?;" "at what specific point in time?;" and "how good does the balance need to be?" Should we take the more empowered negotiator and seek to "break them down" to the less empowered negotiator's level? Or should we try to capacitate the less powerful negotiator to rise to the more empowered negotiator's level? Or perhaps we should both break down one and empower the other to some "mid-point." All of this pretends as if negotiating power is a single quality or dimension, when we know that it is multi-faceted, changes over time and changes depending on the specific issue being discussed.
* Further, in addition to these challenging practicalities of attempting to "balance bargaining power," there are valid concerns about the impact of such an approach on a mediator's ethical obligation to be impartial (not favoring any party over any other party) and neutral (not favoring any particular result). How can the mediator seek to "balance bargaining power" and also remain "impartial" and "neutral?"
* The answer is that the mediator should do everything in his or her power to capacitate each mediating party and, having done so, must ask himself or herself the question of whether each mediating party individually (with any desired legal or other support) has sufficient capacity to effectively represent his or her interests in the specific mediation. If the answer to this question is "yes," then the mediation may proceed. If the answer is "no," then the mediation should not proceed. "Balancing bargaining power" has no place in mediation. Determining whether each participant can effectively represent his or her interests is, however, at the heart of the mediation process.
* **Overall Problem-Solving Model**
* ****
As an overall chronologic model for mediation facilitation that is suggested by considering "what works" in conflict resolution and negotiation theory, please consider the following:
* **Informed Consent as to Process**
(the process is always negotiable and must be agreed to)
* **Sharing Perspectives**
(separating relational issues from substantive issues; discuss both, just separately)
* **Remember the Common Ground**
(common interests, interdependence and initial points of agreement)
* **Establish a Problem-Solving Agenda**
(questions seeking solutions)
* **Identify Desired Information and Documentation**
* **Clarify Desired Outcomes, Interests and Positive Intentions**
* **Develop Options**
(based upon outcomes, interests and positive intentions; separate from evaluation process)
* **Select from Options**
(Evaluate based upon participant desires, criteria, standards, principle, rationale or rationalization -- and considering personal, procedural and substantive BATNAs)
* **Integration and Finalization**
(Any possible improvement; drafting, review, revision, implementation)

he foundations of **negotiation theory** are [decision analysis](http://en.wikipedia.org/wiki/Decision_analysis), [behavioral decision making](http://en.wikipedia.org/w/index.php?title=Behavioral_decision_making&action=edit&redlink=1), [game theory](http://en.wikipedia.org/wiki/Game_theory), and [negotiation analysis](http://en.wikipedia.org/w/index.php?title=Negotiation_analysis&action=edit&redlink=1). Another classification of theories distinguishes between Structural Analysis, Strategic Analysis, Process Analysis, Integrative Analysis and [behavioral analysis](http://en.wikipedia.org/wiki/Behavioral_analysis) of negotiations.

Individuals should make separate, interactive decisions; and *negotiation analysis* considers how groups of reasonably bright individuals should and could make joint, collaborative decisions. These theories are interleaved and should be approached from the synthetic perspective.

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| Contents [[hide](http://en.wikipedia.org/wiki/Negotiation_theory)]* [1 Common Assumptions Of Most Theories](http://en.wikipedia.org/wiki/Negotiation_theory#Common_Assumptions_Of_Most_Theories)
* [2 Structural Analysis](http://en.wikipedia.org/wiki/Negotiation_theory#Structural_Analysis)
* [3 Strategic Analysis](http://en.wikipedia.org/wiki/Negotiation_theory#Strategic_Analysis)
* [4 Process Analysis](http://en.wikipedia.org/wiki/Negotiation_theory#Process_Analysis)
* [5 Integrative Analysis](http://en.wikipedia.org/wiki/Negotiation_theory#Integrative_Analysis)
* [6 See also](http://en.wikipedia.org/wiki/Negotiation_theory#See_also)
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## [[edit](http://en.wikipedia.org/w/index.php?title=Negotiation_theory&action=edit&section=1)]Common Assumptions Of Most Theories

Negotiation is a specialized and formal version of conflict resolution most frequently employed when important issues must be agreed upon. Negotiation is necessary when one party requires the other party's agreement to achieve its aim. The aim of negotiating is to build a shared environment leading to longterm trust and often involves a third, neutral party to extract the issues from the emotions and keep the individuals concerned focused. It is a powerful method for resolving conflict and requires skill and experience. Zartman defines negotiation as "a process of combining conflicting positions into a common position under a decision rule of unanimity, a phenomenon in which the outcome is determined by the process."

Most theories of negotiations share the notion of negotiations as a process, but they differ in their description of the process. Structural Analysis considers this process to be a power game. Strategic analysis thinks of it as a repetition of games ([Game Theory](http://en.wikipedia.org/wiki/Game_Theory)). Integrative Analysis prefers the more intuitive notion of process, in which negotiations undergo successive stages, e.g. pre-negotiation, stalemate, settlement. Especially structural, strategic and procedural analysis build on rational actors, who are able to prioritize clear goals, are able to make trade-offs between conflicting values, are consistent in their behavioral pattern, and are able to take uncertainty into account.

Negotiations differ from mere coercion, in that negotiating parties have the theoretic possibility to withdraw from negotiations. It is easier to study bi-lateral negotiations, as opposed to multilateral negotiations.

## [[edit](http://en.wikipedia.org/w/index.php?title=Negotiation_theory&action=edit&section=2)]Structural Analysis

Structural Analysis is based on a distribution of empowering elements among two negotiating parties. Structural theory moves away from traditional Realist notions of power in that it does not only consider [power](http://en.wikipedia.org/wiki/Power_%28sociology%29) to be a possession, manifested for example in economic or military resources, but also thinks of power as a relation.

Based on the distribution of elements, in structural analysis we find either power-symmetry between equally strong parties or power-asymmetry between a stronger and a weaker party. All elements from which the respective parties can draw power constitute structure. They may be of material nature, i.e. [hard power](http://en.wikipedia.org/wiki/Hard_power), (such as [weapons](http://en.wikipedia.org/wiki/Weapon)) or of social nature, i.e. [soft power](http://en.wikipedia.org/wiki/Soft_power), (such as [norms](http://en.wikipedia.org/wiki/Norm_%28sociology%29%22%20%5Co%20%22Norm%20%28sociology%29),[contracts](http://en.wikipedia.org/wiki/Contract) or [precedents](http://en.wikipedia.org/wiki/Precedent)).

These instrumental elements of power, are either defined as parties’ relative position (resources position) or as their relative ability to make their options prevail.

Structural analysis is easy to criticise, because it predicts that the strongest will always win. This, however, does not always hold true.

## [[edit](http://en.wikipedia.org/w/index.php?title=Negotiation_theory&action=edit&section=3)]Strategic Analysis

According to structural analysis, negotiations can therefore be described with [matrices](http://en.wikipedia.org/wiki/Matrice), such as the [Prisoner's Dilemma](http://en.wikipedia.org/wiki/Prisoner%27s_Dilemma), a [concept](http://en.wikipedia.org/wiki/Concept%22%20%5Co%20%22Concept)taken from [Game Theory](http://en.wikipedia.org/wiki/Game_Theory). Another common game is the [Chicken Dilemma](http://en.wikipedia.org/wiki/Chicken_%28game%29).

Strategic analysis starts with the assumption that both parties have a [veto](http://en.wikipedia.org/wiki/Veto). Thus, in essence, negotiating parties can cooperate (C) or defect (D). Structural analysis then evaluates possible outcomes of negotiations (C, C; C, D; D, D; D, C), by assigning values to each of the possible outcomes. Often, co-operation of both sides yields the best outcome. The problem is that the parties can never be sure that the other is going to cooperate, mainly because of two reasons: first, decisions are made at the same time or, second, concessions of one side might not be returned. Therefore the parties have contradicting incentives to cooperate or defect. If one party cooperates or makes a concession and the other does not, the defecting party might relatively gain more.

[Trust](http://en.wikipedia.org/wiki/Trust_%28social_sciences%29) may be built only in repetitive [games](http://en.wikipedia.org/wiki/Game) through the emergence of reliable patterns of behaviour such as [tit-for-tat](http://en.wikipedia.org/wiki/Tit-for-tat).

This table illustrates the options and possible outcomes of the Negotiator's Dilemma.

## [[edit](http://en.wikipedia.org/w/index.php?title=Negotiation_theory&action=edit&section=4)]Process Analysis

Process analysis is the theory closest to haggling. Parties start from two points and converge through a series of concessions. As in strategic analysis, both sides have a veto (e.g. sell, not sell; pay, not pay). Process analysis also features structural assumptions, because one side may be weaker or stronger (e.g. more eager to sell, not willing to pay a certain price). Process Analysis focuses on the study of the dynamics of processes. E.g. both Zeuthen and Cross tried to find a formula in order to predict the behaviour of the other party in finding a rate of concession, in order to predict the likely outcome.

The process of negotiation therefore is considered to unfold between fixed points: starting point of discord, end point of convergence. The so called security point, that is the result of optional withdrawal, is also taken into account.

## [[edit](http://en.wikipedia.org/w/index.php?title=Negotiation_theory&action=edit&section=5)]Integrative Analysis

Integrative analysis divides the process into successive stages, rather than talking about fixed points. It extends analysis to pre-negotiations stages, in which parties make first contacts. The outcome is explained as the performance of the actors at different stages. Stages may include pre-negotiations, finding a formula of distribution, crest behaviour, settlement