

Session 3

Integrative Negotiation

Definition of Integrative Negotiation

- Integrative negotiation is a negotiation strategy in which parties collaborate to find a “win-win” solution to their conflict.
- Integrative negotiation focuses on developing mutually beneficial agreements based on interests of disputants. It is also called interest-based negotiation.
- Interests include needs, desires, concerns, and fears

4 Principles of Integrative Negotiations (Interest-based model)

- Principle 1: Separate the People from the Problem
- Principle 2: Focus on Interests, not Positions
- Principle 3: Invent Options for Mutual Gain
- Principle 4: Insist on Objective Criteria

Roger Fisher & William Ury. 1981. **“Getting to Yes.”** New York: Penguin.

Principle 1: Separate the People from the Problem

- Negotiators are people first.
- Every negotiator has two kinds of interests: in the Substance and in the Relationship.
 - The relationship tends to become entangled with the problem.
 - Position bargaining puts relationship and substance in conflict.

Separate the People from the Problem

- We all perceive our world differently and often take different if not opposing viewpoints when handling a problem or dispute with another person.
- We tend to approach a problem or dispute with our own unique perspective often giving little or any regard to the other person's perspective.

Separate the People from the Problem

- Separate relationship from the substance; deal directly with the problem.
 1. Perception
 2. Emotion
 3. Communication

Perception

- Put yourself in their shoes.
- Don't deduce their intentions from your fear.
- Don't blame them for your problem.
- Discuss each other's perceptions.
- Look for opportunities to act inconsistently with their perception.
- Give them a stake in the outcome by making sure they participate in the process.
- Face saving: make your proposals consistent with their values.

Emotion

- First recognize and understand emotions, theirs and yours.
- Make emotions explicit and acknowledge them as legitimate.
- Allow the other side to let off steam.
- Don't react to emotional outbursts.
- Use symbolic gestures.

Emotions

- **Unavoidable:** A negotiator cannot avoid emotions any more than he or she can avoid thoughts. Suppressing the expression of emotions tends to consume mental resources.
- **Numerous:** In any single interaction, a negotiator may experience dozens of emotions such as anger, pride, frustration, and enthusiasm.
- **Fluid:** Emotions often change from moment to moment such as from annoyance to anger, excitement to anxiety, resignation to resentment.

Emotions

- **Multilayered:** You can feel multiple emotions at once – even multiple “opposite emotions” such as love for your spouse and anger toward him or her for not consulting you on an important issue.
- **Varied in Impact:** The impact of emotions varies from person to person, negotiator to negotiator.
- **Triggered by Multiple Possible Causes:** The source of an emotion is not always easy to identify. The emotion may be triggered by a thought, a new situation, another person’s action.

Using Emotions Effectively

- Use a simple framework for circumventing the complexities of emotion. Negotiators should **not** focus on every emotion that arises in themselves and in the other party – such a process is overwhelming. Negotiators need to turn their attention to five **core concerns**, matters that are important to most of us much of the time. These core concerns can be used as a “tool” to understand the emotional terrain in a negotiation and as a “lever” to stimulate helpful emotions. As a result, cooperative behavior becomes more likely.

Core Concerns

1. **Appreciation:** Are our thoughts, feelings, and actions devalued, or are they acknowledged as having merit?
2. **Autonomy:** Is our freedom to make decisions impinged upon, or is it respected?
3. **Affiliation:** Are we treated as an adversary and kept at a distance, or are we treated as a colleague?
4. **Status:** Is our standing treated as inferior to others, or is it given full recognition where deserved?
5. **Role:** Are the many roles we play meaningless, or are they personally fulfilling?

Communication

- Listen actively and acknowledge what is being said.
- Speak to be understood.
- Speak about yourself, not about them.
- Speak for a purpose.

Principle 2: Focus on Interests, not Positions

- **Positions:** What disputants say they want in a negotiation: a particular price, job, work schedule, change in someone else's behavior, revised contract provision, etc.
 - For example: To buy a car your position is that you want to spend the least amount of money. On the other hand the salesman's position is to sell the car for the most he can get.
- **Interests:** Underlying desires or concerns that motivate people in particular situations.
 - Status, principles, value relationships and/or time.

Don't Bargain over Positions

- Arguing over position produces unwise agreements.
 - As more attention is paid to positions, less attention is devoted to meeting the underlying concerns/interests of the parties. Agreement less likely.
- Arguing over position is inefficient.
- Arguing over position endangers an ongoing relationship.
- When there are many parties, positional bargaining is even worse.
- Being nice and giving in is no answer.

Positions

- Positions are part of human beings and their integrity. They are not negotiable unless one of the two negotiators folds and accepts losing. However, as no one negotiates to lose there is no point in bargaining over positions.

Interests

- Interests are the underlying desires of a negotiation. Each negotiator must seek to fulfill his interests and needs. There is no point in trying to change the other side's interests.

Position versus Interest

- Focuses on a particular solution
- Makes a demand
- Draws a line
- Sets up confrontation
- Ends or dampens discussion
- Focuses on problem
- Articulates one of the range of needs
- Makes no valuations
- Establishing a climate of understanding
- Allows the real issue or problem to be discussed

Focus on Interests

- Interests define the problem.
- Behind opposed positions lie shared and compatible interests, as well as conflicting ones.

How to Identify Interests?

- Ask "**Why** do you want this?" and "**Why not?**"; Not "What do you want?"
 - Think about their choice.
- Realize that each side has multiple interests.
 - Identify shared interests and focus on mutual options for gain.
- The most powerful interests are basic human needs:
 - Security, Economic well-being, Sense of belonging, Recognition, and Power (control over one's life)

Talking About Interests

- Make your interests come alive.
- Acknowledge their interests as part of the problem.
- Put the problem before your answer.
- Look forward not back.
- Be concrete but flexible.
- Be hard on the problem, soft on the people.

Types of Interests

- Every person involved in negotiation or dispute resolution has two separate kinds of interests.
 1. Substantive: Entails our own respective interests. How we describe the issue.
 2. Relational: Interpersonal relationship between the two parties. How people should be treated.
- The main problem occurs when the relationship becomes entwined with the problem being addressed. In positional negotiation the problem becomes personal as the two separate interests become emotionally enmeshed with each other.

Focusing on Interests

- Problem: Barking dog.
- My interpretation: My neighbor doesn't care about my needs.
- My position: Quiet the dog.
- My interest: I need sleep.
- Issue: How to control the barking?

Focusing on Interests

- Problem: Sea reefs are dying.
- My interpretation: Inadequately controlled construction in near-shore areas results in runoff that smothers reefs.
- My position: Stop or severely limit land disturbance.
- Interest: Reducing the rate of coral loss to protect the environment.
- Issue: What's the real source of reef degradation? How can runoff be reduced/controlled?

Principle 3: Invent Options for Mutual Gain

- A good behavior in negotiation is described as a creative open-minded behavior.
- The negotiator should seek to invent new options that might satisfy both parties' needs.
- It is also wise to take the other side's needs in account when making new proposals.

Invent Options for Mutual Gain

- Don't assume there is a fixed pie and only one answer.
- Don't think solving their problem is their problem, help them.
- Separate inventing from deciding: brainstorming process.
- Broaden your options and think creatively.
- Look through the eyes of different experts.
- Invent agreement of different strengths.
- Identify shared interests.
- Ask for their preferences.
- Make their decision easy.

Principle 4: Insist on Objective Criteria

- Negotiation is often linked to people's points of view and a good idea to reach a fair deal is to refer the deal to objective criteria.

Insist on Objective Criteria

- Principled negotiation produces wise agreements amicably and efficiently.
- Use fair standards, fair procedures.
- Never yield to pressure.
- Use a 3rd party as a referee.

Objective Criteria

- Fair Standards: market value, replacement cost, precedent, professional standards, “best practice,” industry average, equal treatment, etc.
- Fair Procedures: Last best offers, taking turns, drawing lots.
 - Any applicable principle which denotes a true reflection of what is realistically fair and reasonable.
 - Don’t be shy about seeking out the advice of experts.

When is the Interest-based Approach Appropriate?

- Other party is willing to problem-solve.
- There is sufficient trust and information or a willingness to develop them.
- On-going relationships are important.
- Commitment to carry out the agreement is needed.
- Quality agreement is more important than an expedient one.

When is the Interest-based Approach Unnecessary?

- On-going relationships are not important.
- Negotiation is viewed as strictly distributive (e.g. buying a car).
- Lack of commitment to problem-solving on the part of one or more parties.
- One or more parties see the negotiation as involving fundamental rights.

Integrative Negotiation Strategy (Expanding the Pie)

- Applying 4 principles of Interest-based model
- Ask questions about interests and priorities
- Provide information about your interests and priorities
- Unbundle the issues
- Make package deals, not single-issue offers
- Make multiple offers of equivalent value simultaneously

Integrative Negotiation Strategy (Expanding the Pie)

- Structure contingency contracts by capitalizing on differences
 - Valuation
 - Expectations
 - Risk attitudes
 - Time preferences
 - Capabilities

Exhibit: Decision-Making Model of Integrative Negotiation

