

## **Distributive Fights and Integrative Efforts:**

### **Two Frames For Negotiation**

#### **Air Force Negotiations Center<sup>1</sup>**

Problems and challenges are pervasive in our everyday life. We evaluate situations and select from potential options 24/7. On a warm summer Saturday we might debate the value of getting up early to take in a scenic run before the heat of the day or grabbing some extra sleep and running on a treadmill. We negotiate when we make decisions; sometimes with ourselves, other groups, or as an organized task oriented, crisis solving team. When learning the negotiation skill set, it is useful to understand some basic language, rules and theory. In sports, knowing the rules allows the game to function for all participants. Basic negotiation theory as taught by the experts categorizes the processes of negotiations and you will recognize them. Negotiations can be broadly categorized into two major camps: integrative (or also called collaborative, principled, value added, or win-win to name a few) or distributive (also called competitive, value-claiming, bargaining, or win-lose). This article will discuss these in depth and then provide a summative comparison with examples. Each treatment will first define the category, provide some basics on how it works, when it might be appropriate, and then provide advice on the pros and cons of each category. There is no perfect negotiating style or strategy, each have their time and place; each have their distinct advantages and disadvantages. It is up to you to assess the environment and then apply the correct tool, adjusting as needed as the negotiation unfolds.

#### **Distributive Bargaining: a psychological buy-in to a SOLUTION**

**Definition:** Distributive Bargaining is a competitive approach that promotes win-lose situations where one party attempts to gain the maximum amount possible of the existing resources by using whatever power available to *subdue* the other side into agreement (known as “power over” versus a situation where you *share* power, known as “power with”). Distributive bargaining focuses on a position, what a person wants (not always

what they need). Distributive Bargaining is framed as a competitive event, where the winning party tests the limits of the losing party in the negotiation. A distributive bargainer wants to pay the least if buying or obtain the highest price if selling. In the extreme, the winning party takes so much off the table that the loser is left with just enough to keep them from walking away (see Reservation Point and Best Alternative to a Negotiated Agreement (BATNA) for more detail in other parts of this course).

**How It Works:** Strong distributive bargainers will normally approach the other side not with a flexible offer but a firm demand based on their position. Essentially they present, in one opening statement, their set of conditions that expresses their position.

Sometimes this position is in the extreme with no willingness to budge or give in. The other side is expected to capitulate. The objective is to take as much of the value off the table as they can. There is no attempt at understanding the other side's issues, concerns or problems. Neither is there a concern for listening to any of the other side's potential solution. Often, information the other side may have is discounted, ridiculed, or ignored outright. Typically, in a Distributive Bargaining situation, one party arrives at the table with a single solution and spends the entire meeting declaring the righteousness of that solution and decrying any counterproposals from the other side. If one side uses the distributive bargaining approach and the other side doesn't, the negotiation is usually over in a short amount of time, with the more aggressive side usually winning. If BOTH negotiators come to the table with equally aggressive Distributive Bargaining approaches, then the negotiation can easily devolve into a shouting match with no resolution.

**When It Might Be Appropriate:** A Distributive Bargaining approach may be appropriate if getting your way is paramount to all other concerns. For example, in a crisis, where you are the expert or best trained individual, it may be appropriate to be very forceful in getting things done as you see fit. For example, your objective might be to demonstrate power over the opposition, to essentially send a psychological message of dominant power in a given situation. A distributive bargaining approach might be useful when you know that there is no opportunities to "expand the pie" and you must get as much of the existing, available resources as possible. Finally, if you have an opportunity

for a one-time price based transaction, say a garage sale, auction or other similar situation where there must be quick decisions under limited opportunities and the relationship is not important, then the Distributive Bargaining strategy might be the most appropriate. Realize, as with every strategy, there are costs and benefits.

### **Pros And Cons**

PROS: The Distributive Bargaining strategy is/has:

- 1). Usually quick, because there is no attempt to build a relationship, explore needs and interests or come up with alternatives (options). Depending on the conditions, it can be as short as a demand, followed by either an acceptance from the other side or rejection and the other side walking away.
- 2). A winner and a loser. Often we define the winner as the party that got what they wanted (not necessarily what they needed). If it is a “one shot” deal and the loser has no recourse in the execution of the agreement, then the winner clearly comes out ahead.
- 3). A process lacking imagination. Bargaining doesn’t require much new thought or innovative solutions. Since the resources are seen as fixed, the only process needed is to determine a way to obtain as much off the table as possible.

CONS: The Distributive Bargaining strategy is/has:

- 1). A loser. As mentioned above, sometimes the loser in a distributive negotiation has little recourse. However, if there will be follow-on negotiation opportunities, the loser may have recourse. If there is another negotiation, they could try to “make up” for previous losses by insisting they get it “their way” in the next engagement. To the loser, this is fair, since they are only trying to even the score. Similarly, in the execution of the current agreement, for example a delivery contract, the loser could psychologically “even the score” by creating problems during execution. In the extreme, they could refuse to do anything contained in the agreement, and walk away.
- 2). Tremendous psychological buy-in to the established demand/solution. Many strong Distributive Bargainers attach tremendous ego to their demand/solution. In short, they are very proud of their idea. Listening to other ideas is virtually out of the question.
- 3). Tough to adjust to overwhelming evidence that is against your demand/solution. When an effective counterproposal is raised, one that clearly is better than the original

demand/solution, it is tough for the negotiator to adjust, since so much ego is invested in their demand/solution.

4). Can lead to mistrust and suspicion if the loser has been ignored, disrespected, and/or been taken advantage of.

**Illustration:** The Insist Strategy is quick, but has risks and pitfalls. The following story is based on actual events and helps illustrate the strategy's pros and cons. At Somewhere AFB, several Group Commanders were working to resolve multiple claims on scarce resources as a new mission was added to the Wing. Although most of the Commanders worked to amicably solve the problem, one of the Commanders believed his mission was the most important and it trumped all the other priorities in the Group. In short, he wanted the entire resource "pie". Since he was the Group Commander with the most longevity of the four Group Commanders, he assumed he had power "over" his fellow commanders. Armed with that perceived power, he proceeded to "drop names", "make threats about HHQ involvement" and "throw his expertise around" as he essentially grabbed the resources in a midnight raid while the other commanders were TDY. Since the "winning" commander pursued only his solution (and considered no other ideas), he also based his solution on only his information (he discounted the other's information as unimportant and irrelevant to his decision). With this incomplete information and singular perspective on the problem, he also had incomplete visibility on the 2<sup>nd</sup> and 3<sup>rd</sup> order effects of his resource grab. In short, his mission actually depended on support and services from his fellow commanders. By denying them their required resources, he limited his fellow commander's ability to execute their mission. When it came to internal prioritization, you guessed it, the "winning" group commander dropped to the bottom of the other group commander's lists. Eventually, the "winning" commander realized how incomplete his problem-solving process was and subsequently engaged in more integrative negotiating efforts to ensure mission success.

### **Integrative Negotiations – a psychological buy-in to a PROCESS**

**Definition:** Integrative negotiations (or interest-based negotiations) is a strategy where negotiators follow a collaborative, versus competitive, path to a potential "win-win" outcome.<sup>2</sup> This strategy goes beyond each side only considering their positions and has

two fundamentally contrasting features when compared to the Distributive Bargaining Strategy. Integrative Negotiations:

1). go beyond each side's positions and focuses on identifying and prioritizing the underlying interests behind the positions. Essentially, the *why* (interests are what we need) behind the *what* (positions are what we want). Interests can address substantive issues (like price or quantity), psychological issues (like the need for an apology or explanation), and/or procedural issues (in what order things are done and how things get done).

2). also strives to make the environment conducive to exchanging information. Through sharing power (power with), thoughts and ideas can be shared, information and perspectives brought to light. This process helps take the existing resources and explores ways to combine them in new and innovate ways, potentially creating new value by expanding the existing pie.

**How It Works:** Conceptually, an integrative negotiation strategy moves the chairs from opposite sides of the table to the same side of the table. The enemy is not the other person, but the problem being addressed. Philosophically, an Integrative Negotiation Strategy seeks to develop a solution that is better than either party could come up with on their own. Planning for the negotiation involves not only determining your positions and interests, but also estimating what you think your opposite's positions and interests are, even before you meet. At the negotiation, conversations and questions, rather than declarations or lectures, make up the communication patterns. Negotiators communicate with each other about what's most important to them and why is it important. From that exchange, the potential for rearranging the resources into new and novel ways to help meet the top interests of both sides becomes a possibility. Once options have been developed and explored, both sides agree on which option, or options, meets their top interests.

**When It Might Be Appropriate:** Integrative negotiations may be appropriate in complex situations where there are multiple issues under consideration and potentially multiple paths to a solution. Additionally, the more complex the situation means it is more likely that the parties have significant interests influencing their positions; this exploration of interests is best accomplished by pursuing an Integrative Negotiations

strategy. Other conditions that might make the Integrative Negotiation strategy productive is when there is an expectation of recurring interactions, either in the execution of any agreement that might arise from the negotiations and/or the expectation of a future long-term relationship. As such, a trusting relationship should be a priority. Consequently, if the parties trust each other and are willing to share information and power, then the integrative negotiation strategy can be leveraged to develop new and innovative options that benefits both sides' prioritized interests.

**Pros And Cons:**

**PROS:**

- 1). Because Integrative Negotiations are a cooperative problem-solving effort, neither side imposes its solution over the other. Also, a mutually agreed upon solution is usually more durable, has more buy-in, and any problems that arise during execution are usually more easily resolved.
- 2). Integrative Negotiations usually strengthens relationships as parties get to know each other and each other's issues.

**CONS:**

- 1). This process takes considerable skills. Effective critical thinking, empathetic listening and creative brainstorming of ideas are paramount for success.
- 2). This process requires participants to check their ego at the door. One's initial conclusions on a possible solution might be all wrong. A solution isn't fought over, a solution is selected from a range of mutually developed options that satisfy both side's top interests.
- 3). This process takes time.

**Illustration:** A deployed officer needed a contract with a local vendor to supply a forward operating location with water. The local vendor was reliable and trustworthy... however seemed somewhat disengaged when it came time to negotiate. The deployed officer, using a robust negotiation education, was able to refocus the negotiation away from the immediate task and focus on managing the relationship through trust building. In building trust, he discovered that the local vendor was also a local village leader and in charge of transporting ripening crops into storage. However, the trucks he relied on were damaged and parts were not immediately available. Without these crops in storage, the

village would lose revenue and he would lose status. Using the integrative negotiation strategy, the deployed officer was able to use the trucks at his disposal to help move the crops as the empty trucks moved from the base to the vendor's water facility. It took a few extra liters of the deployed officer's diesel fuel allotment to do this and some creative worker scheduling on the part of the vendor, but the two worked together to get to a solution that met their prioritized interests (water for the US and transportation of crops for the village leader). Because of this approach, the conclusion of these negotiations was highlighted by the vendor offering water at very reasonable rates.

Quick Reference Comparison of Distributive Bargaining for Integrative Negotiations		
	Distributive Bargaining	Integrative Negotiations
It's about...	Me and my Solution	Us and our Process
I believe in...	My Solution	The process will lead us to a good solution
Resources are...	Fixed and must be won	Flexible and can be combined in new ways
We meet to...	Agree with my solution	Share in a problem-solving process
My Ego...	Predominates	Is checked at the door
We sit...	On opposite sides of the table	Side by side
Problem-solving is done...	Before we meet	Part of the Negotiating process
The other side is the...	Enemy to be overcome	Co-Problem solver to work with to a solution
Trust	Not Important	Required
Information	Just Mine	Shared
Power	Use it to get my way	Share it to gain insight
Options	Just my idea = solution	Lots of ideas, then pick a solution that meets both sides' interests
Efficient/Quick	Yes	No
Effective	Less	More
Solutions	Winner and a loser or split the difference	Can have two winners
Planning	Plan to support your position	More time and more details in the plan

<sup>1</sup> This article was an Air Force Negotiations Center collaborative effort.

<sup>2</sup> For more detail on win-win negotiations, see <http://www.pon.harvard.edu/category/daily/win-win-daily/>