The Integrative Negotiation Process

The integrative negotiation situation allows both parties to achieve their objectives. The goals of the parties in integrative negotiation are not mutually exclusive. If one side achieves its goals, the other is not excluded from achieving its goals as well. One party’s gain is not at the other party’s expense. Rather than assume that negotiations are win-lose situations, negotiators can look for win-win solutions, and often they will find them. 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 commonalities between parties, and searching for solutions that meet the goals and objectives of both parties.** Effective information exchange promotes the development of good integrative solutions. Research shows that the 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 short, negotiators must create conditions for a free and open discussion of all related issues and concerns.

**Negotiators must also be able to understand the other negotiator’s real needs and objectives.** What one side needs and wants may or may not be the same as what the other party needs and wants. When negotiators are aware of the possibility that the other’s priorities are not the same as their own, this can stimulate the parties to exchange more information, understand the nature of the negotiation better, and achieve higher joint gains. It is also important for negotiators from both parties to emphasize the commonalities between the parties and to minimize the differences, and to search for solutions that meet the needs and objectives of both sides.

Key Steps in the Integrative Negotiation Process

**There are four major steps in the integrative negotiation process: (1) identify and define the problem, (2) surface interests and needs, (3) generate alternative solutions to the problem, and (4) evaluate those alternatives and select among them.** The first three steps are important for creating value. To work together to create value, negotiators need to understand the problem, identify the interests and needs of both parties, and generate alternative solutions. The fourth step involves claiming value. The goal of creating value is to push the potential negotiation solutions to the point where “there is no agreement that would make any party better off without decreasing the outcomes to any other party.” This phenomenon is also called Pareto efficient frontier (See figure 3.1 on page 64 of our textbook). It is important that processes to create value precede those to claim value for two reasons: the creating-value process is more effective when it is done collaboratively and without a focus on who gets what, and because claiming value involves distributive bargaining processes, it may derail the focus on creating value and may even harm the relationship unless it is introduced effectively.

Step 1. Identify and Define the Problem

The most difficult step in the integrative negotiation process is identifying the problem, and it is even more challenging when more than two parties are involved. The problem definition process is critical for integrative negotiation because it sets broad parameters regarding what the negotiation is about and provide an initial framework for approaching the discussion. To define the problem, parties need to define it in a way that is mutually acceptable to both parties, and it should accurately reflect both parties’ needs and priorities. They should state the problem with an eye toward practicality and comprehensiveness, meaning the focus should be to solve the core problem. Parties should also state the problem as a goal and identify the obstacles to attaining this goal. Both parties should focus on depersonalizing the problem, and separate the problem definition from the search for solutions.

Step 2: Surface Interests and Needs

The key to achieving an integrative agreement is the ability of the parties to understand and satisfy each other’s interests. Identifying interests is a critical step in the integrative negotiation process because they are the underlying concerns, needs, desires, or fears that motivate a negotiator to take a particular position. There are different types of interests that could potentially be at stake in a negotiation situation and they may be intrinsic or instrumental. Substantive interests are related to focal issues that are under negotiation, such as economic and financial issues like price or rate. Process interests are related to how the negotiation unfolds. In this case, one party might pursue distributive bargaining because they enjoy the competitive game of wits that comes from nose-to-nose, hardline bargaining, while the other party may enjoy integrative negotiating because they believe they have not been consulted in the past and wants to have some say in how a key problem is resolved.

**Relationship interests speak to the value of the ongoing relationship between the parties and the future of that relationship.** Last but not least, the interests of principle is concerned with what is fair, what is right, what is acceptable, what is ethical, or what has been done in the past and should be done in the future may be deeply help by the parties and serve as the main guidelines to their action. It is important to know that there is always more than one type of interest underlying negotiation, parties can have different types of interests at stake, and interests often derive from deeply rooted human needs or values.

Step 3: Generate Alternative Solutions

This is a creative phase of integrative negotiation. Once the parties have agreed on a common definition of the problem and understood each other’s interests, they can proceed to generate alternative solutions. The objective is to create a variety of options or possible solutions to the problem; evaluating and selecting from among those options will be their task in the final phase. There are several techniques that negotiators use to help them in generating alternative solutions. These techniques fall into two categories. The first requires the negotiators to redefine, recast, or reframe the problem. The second takes the problem as given and creates a long list of options from which the parties can choose. Some of the techniques that are used in the inventing options include logroll, expanding or modifying the pie, cost cutting, and bridging and super ordination. In the second category to generating alternative solutions to the problem as given include techniques such as brainstorming, surveys, and electronic brainstorming.

Step 4: Evaluate and Select Alternatives

The fourth stage in the integrative negotiation process is to evaluate the alternatives generated during the previous phase and to select the best ones to implement. **The following guidelines should be used in evaluating options and reaching consensus:** narrow the range of solution options; evaluate solutions on the basis of quality, standards, and acceptability; agree to the criteria in advance of evaluating options; be willing to justify personal preferences; take time out to cool off; and explore different ways to logroll among others. Factors that facilitate successful integrative negotiation are common objectives or goals, faith in ones’ problem solving ability, the motivation and commitment to work together, trust, and clear and accurate communication. If the parties are not able to meet these preconditions successfully, they will need to resolve challenges in these areas as the integrative negotiation evolves. Week 2 Discussion “David Meets Goliath – Negotiating with Wal-Mart”