

Choosing an initial strategy

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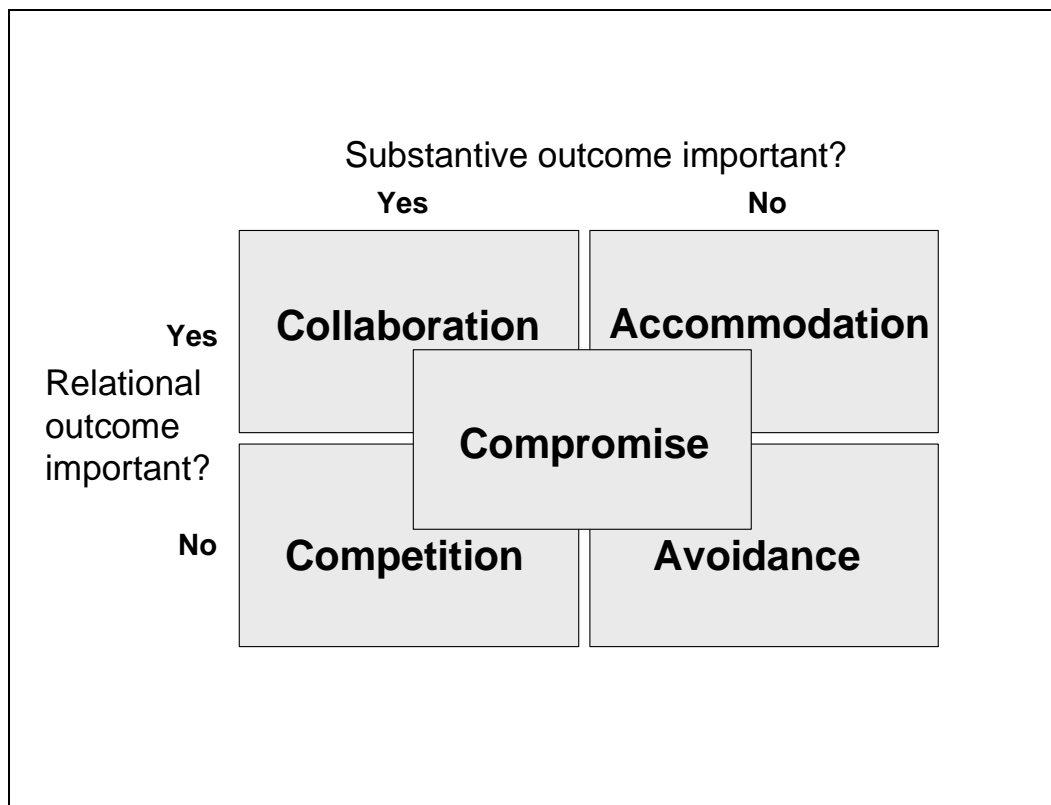
Materials based on adapted extracts from Savage, G.T., Blair, J.D. & Sorenson, R. J. (1989) and Thomas, K and Kilman, R.H. (1974).

Selecting an initial overall strategy for a negotiation will largely depend on the relative importance and priority of two dimensions: **substance** and **relationship**.

So, when deciding on an approach we need to ask two key questions:

- 1) How much concern do we have for achieving the **substantive outcomes** at stake?
- 2) How much concern do we have for the current and future quality of the **relationship** with The Other Party (TOP)?

The answers to these two questions will help us decide on one of **5 types of initial strategies**: collaboration, competition, accommodation, compromise, and avoidance.



Adapted from Savage, G.T., Blair, J.D. & Sorenson, R.J. (1989). 'Consider Both Relationship and Substance When Negotiating Strategically,' *Academy of Management Executive*, (vol. 3, 1989, 37-48).

5 types of initial strategy

Option 1: Collaboration (Win-Win)

This integrative, win-win strategy is the best option to choose when both substance and relationship are negotiator goals. The Mutual Gains Approach / Principled Approach is a collaborative strategy.

Collaborating involves working together with TOP to find a solution which fully satisfies the concerns of both parties. It means exploring an issue together: to learn about each other's perspectives and to identify the underlying concerns of both parties. This will then allow for a creative solution, an alternative, which meets both parties concerns.

Collaboration should not be confused with compromise. Lewicki (1997) writes: 'Rather than simply 'splitting the difference', collaborative negotiators use communication, creativity, and understanding to fashion agreements that maximise joint gains'.

When might we use this approach?

1. To find an integrative solution when both substance and relationship are too important to be compromised.
2. To merge insights from people with different perspectives on a problem.
3. To gain commitment by incorporating TOP's concerns into a consensual decision.
4. To work through hard feelings which have been interfering with an interpersonal relationship.

Option 2: Competition (I win-You lose)

This distributive, I win - you lose strategy, is an option when there is an overpowering interest in achieving substantive outcomes with little or no regard for the effect on the relationship. This approach means one party pursues their own interests at the other party's expense.

When might we use this approach?

1. In a one-off negotiation situation when you're not likely to negotiate with TOP again and therefore the future relationship is of little or no importance.
2. When quick, decisive action is vital, e.g. emergencies.
3. On important issues where unpopular courses of action need implementing e.g. cost cutting, enforcing unpopular policies
4. To protect yourself against people who take advantage of non-competitive behaviour.

Option 3: Accommodation (I lose - You win)

This is the opposite of competing. When accommodating, a negotiator neglects his / her own concerns to satisfy the concerns of TOP.

When might we use this approach?

1. When there is a strong interest in maintaining and nurturing the relationship outcomes at the expense of substantive outcomes.
2. You wish to build 'credits' for later issues which are important to you.
3. The issues are much more important to TOP
4. As a goodwill gesture to help maintain a cooperative relationship.
5. You wish to minimise loss when you are in a weak position.
6. To allow a better position to be heard, to learn from others
7. When preserving harmony and avoiding disruption are critical.

Option 4: Compromise (splitting the difference)

This is a settlement midway between the win-lose extremes of: 'I get' and 'They get'. The objective is to find some expedient, mutually acceptable solution which partially satisfies both parties.

It involves 'splitting the difference', exchanging concessions or seeking a quick middle-ground position.

When might we use this approach?

1. Opponents of equal power are committed to mutually exclusive goals as in labour-management wage bargaining.
2. You need to achieve temporary settlements to complex issues.
3. You need to find an expedient solution under time pressure.

Option 5: Avoidance (non-negotiation)

Avoidance means that a negotiator does not immediately pursue his own concerns or those of TOP. This is an option if neither achieving a particular substantive outcome nor enhancing (or maintaining) a relationship is very important. Avoiding might take the form of diplomatically sidestepping an issue, postponing an issue until a better time, or simply withdrawing from a threatening situation.

When might we use this approach?

1. All your needs and interests can be met without negotiating.
2. It's an unimportant issue for you, or you have more pressing issues.
3. You see there is no chance of achieving your objectives, e.g. due to laws or regulations
4. The desired ends are not worth the time and effort spent on negotiation.
5. The potential damage of getting involved in a protracted conflict outweighs the benefits of its resolution.
6. To allow for a cooling off period to reduce tension and give negotiating parties time to regain perspective and composure.
7. When gathering further information outweighs the advantages of entering into a negotiation.

References

Lewicki, R.J., Saunders, D.M. & Minton, J.W (1997). *Essentials of negotiation*. Boston: Irwin / McGraw-Hill.

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