

Strategic Oppositions in Negotiation: A “Tit for Tat” revisited?

Claude Alavoine

IPAG Business School, Nice, France

E-mail: c.alavoine@ipag.fr

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Abstract

What are the circumstances, strategies and tactics which lead one party to do better than another in a conflict situation? This question expressed by Deutsch (2002) proves that in negotiation the strategy initially designed and used has a very important influence over the result. But as negotiation is a dynamic process, any strategy has to adapt to the circumstances, in other words in function of its efficiency during the confrontation to the other party strategy. Using a business simulation, our intention is to understand how pre-negotiation strategies based on a model of five main orientations listed by Dupont (1996) would evolve and create oppositions and counter-strategies. The reciprocity used by some of the negotiators in the spirit of the “Tit for tat” exposed by Axelrod (1984) but sometimes the reinforcement of some of the orientations has led the groups involved to develop interesting combinations leading to an agreement. The results presented here should provide with some new paths for further experimental research.

1 Strategic orientations in Negotiation

1.1 The initial dilemma between Competition and Cooperation

In practice, negotiation is always a mix of cooperation and competition. As shown by Lax and Sebenius (1986), any negotiation includes both "value creating" (integrative) and "value claiming" (distributive) features. But these two elements correspond to different approaches of the relationship and also different orientations in term of strategy, techniques, tactics, arguments and styles employed by the negotiators with related effects and in the end leading to different outcomes. According to Allred (2000), many of the moves used in order to claim value are competitive and exclude the cooperative moves that could create value to both participants.

Negotiation can be understood as a competition where opposition is quasi-permanent and each participant seen as an opponent or enemy in a conflicting context. Walton and McKersie (1965) called this type of negotiation "distributive bargaining".

On the opposite side is the integrative dimension, in which negotiators are not only concerned with their own objectives but are also interested in the other party's interests and aspirations. Also called "cooperative" or "collaborative", this kind of negotiation sees both parties trying to maximize the joint outcome, assuming that the size of the "pie" can be increased if the participants collaborate. They look for a jointly optimal outcome.

The interdependence between these two poles creates a dilemma for the negotiator in his decision making process. For Walton and Mc Kersie (1992) dilemmas arise because the tactical requirements of one sub process (i.e. distributive bargaining) are opposite to those of the other sub process (i.e. integrative bargaining); managing the dilemma between these two sub processes present a central challenge to negotiators.

These dilemmas consist in fixing the objectives, deciding on the level of cooperation, honesty and trust but also on the ways and means and finally toughness (Zartman, 2005).

Allred prescriptive advice (2000) on how to manage the tension between creating and claiming value demonstrates the difference between "best practices" and "strategic practices". While strategic practices, like "sharing information" can lead to dilemmas, best practices like "listening" contribute to maintaining a relationship and creating value.

Mastenbroek (1989) considered distributive and integrative bargaining as one only dimension, the cooperation-competition polarity leading negotiators to a set of dilemmas, and preferred to talk about four kinds of "activities" involved in negotiation. To Mastenbroek one of the most important activity concerns the evolution of the balance of power and how negotiators modify or influence this balance through their counterpart dependence.

1.2 From Competition to stable Cooperation

Demonstration has been made by Deutsch (1973, 2000), that cooperative styles are composed of positive characteristics mostly difficult to mix with competitive processes. For example the "willingness to enhance the other's power" based on the following principle "As the other's capabilities are strengthened, you are strengthened" (Deutsch, 2002 p.311) seems difficult to apply without knowing for sure your counterpart's intentions. As explained also by Axelrod (1984), one of the worst choices in negotiation is probably to be cooperative in front of a competitive negotiator and to show good faith in front of someone dishonest, although as described by Dupont (1996, p.64) under certain conditions (probably restricted) "repeated cooperative attitudes may in the end be successful".

In that sense, the "Tit for tat" approach revealed by Rapoport (1965) and used by Axelrod (1984) in an experiment based on the prisoner's dilemma implies to start with cooperation and after to duplicate whatever the other participant did in the previous move. This is leading to a sort of strategic assimilation where a negotiator will switch from cooperation to competition if its counterpart is competitive in a kind of retaliation until both are on cooperation. This strategy proves to be efficient if several conditions are fulfilled:

- The negotiators will be involved in several rounds of negotiation and preferably a long term relationship.

- The negotiator that will apply for the "Tit for tat" will not be the first to defect and be competitive.

- Negotiators must be ready to practice reciprocity in any ways (Reciprocate both cooperation and defect).

- Negotiators must not want to compare with their counterpart's results as long as they reach their objectives ("Don't be envious")

- Negotiators must concentrate on simple strategies that can be understood and interpreted ("Don't be too clever")

The interest of this approach in terms of negotiation strategy relies on its simplicity in terms of changing a competitive situation into a cooperative one. But it implies a capacity for the negotiator to sanction positively or negatively, to guarantee every position and eventually establish trust. Furthermore it is reactive and only centred on the capacity to transform a competitor into a cooperator in front of an initiated strategy.

1.3 Strategic Models

One of the first strategic model, the “dual concern model” (Pruitt, 1983) displays four options from “Contending” to “Problem Solving” through “Yielding” and even “Inaction” depending on two basic variables: the concern about your own income or about the other party's outcome. For Pruitt (1983), the problem solving approach implies a high level of concern for the other party's outcome but also a certain level of trust that will lead to cooperation during the process.

For Cathelineau (1991), the two most important criteria in order to fix a strategy are the level of trust and strength (level of power). To illustrate, a “defensive orientation” is based on an unfavourable position in terms of power combined with a lack of trust in the other party. A favourable balance of power with the same lack of trust would lead to the use of a “coercive strategy”. Cathelineau presents six categories, three which are distributive: Coercive, Opportunistic, Defensive and three integrative: Relation Oriented (Long term), Balanced Cooperation, Solution Strategy.

As shown by Lytle & al (1999), interests (stakes), rights and power provide three different approaches and strategic alternatives to negotiation. They indicated that during the process participants organise their arguments mainly through these aspects and switch from one angle to another one with a clear tendency to use power and rights at the beginning of negotiation. They recommend focusing on interests more than rights and power which lead to a more distributive outcome and a more conflictual process.

Dupont (1996) presents five main strategic orientations:

- Competition or Cooperation (Tendency)
- Offensive/Defensive (Initiatives, lead)
- Short/Long (Time)
- Imposition/Adaptation (Rules, process)
- Open/Restricted (Object or points to be negotiated)

According to him, the first choice is impossible to avoid. But while negotiation is a mix of these two dimensions, it is impossible to use both at the same time and negotiators must decide which orientation they should start with.

“Offensive” means that you take the initiatives and lead the discussions while “Defensive” refers to a “wait and see” style. “Imposition” or “Adaptation” relates to the “rules of the game” and the capacity to force your counterpart to follow your guidelines or on the opposite to adjust to your opponent’ directives.

“Short” or “Long” refers to your willingness either to reduce or extend the process in time.

Finally, “Open” or “Restricted” is linked to the negotiator’s latitude over the extension of the negotiation object or points to negotiate. Negotiators can decide to mix these orientations or on the opposite make a strict selection of the most important aspect (including the inevitable competition/cooperation dilemma) depending on their objectives and situation regarding their counterpart. As explained by Dupont (1996), strategies are not always simple ones because they depend on many contingent factors and the evolution of the negotiation process.

2 Experimentation: Using a simulation, the “Tillers-Cultivators” case

2.1 The situation

Initially made in order to teach negotiation to students, a buyers-sellers simulation was designed with the intention to create a situation with a high level of interdependency but also

competition/cooperation potential between the participants. The general objective was to put the stress on the difficulties of fixing proper objectives, implementing a suitable strategy and establishing a trustfully relationship leading to an agreement.

In this simulation, participants are separated in two different categories: **Importers-Wholesalers of Agricultural Equipment** (AEI, sellers) and **Agricultural Equipment Retailers** (AER, buyers). In order to create a complex situation and an “open market”, the simulation takes place with six groups of participants with all possibilities in terms of contracts. Each group is composed of several members, ideally three individuals per group as to facilitate contacts between all groups during the process. Each group by splitting its members can negotiate with all the possible partners at the same time as long as their objectives, the decision making system, the strategic choices and the communication process are fixed in advance or controlled during the meetings. (A retailer group can decide to negotiate with the three importers at the same moment with a budget, a fixed strategy and margins of maneuver...)

Each buyer can purchase equipment from one or several suppliers depending on the needs, available offers and prices. Agreements between groups from the same category can also be made if necessary. For example, importers can decide to sell a part of their stock to direct competitors and buyers can associate in order to have better prices with one potential seller. The groups can meet as many times as needed. The objective for all groups is to have the best possible financial result in the end.

2.2 The elements and the process

Several confidential elements are delivered to each group.

- For the Agricultural Equipment Importers-Wholesalers (AEI):

Quantity of Tillers-Cultivators in stock in two categories (well-known brands and unbranded products), importation cost for each, recommended price per category, a system of penalties for payment delays (instalments) offered to the buyer and reward for payment upfront, warranty conditions with recommended additional charge for warranty extension, a system of penalties for small quantity deliveries or reward for large quantities.

- For the Retailers (AER):

Budget (for buying the equipment) based on Tillers' sales volume and retail price in shop (turn over guaranteed on equipment in two categories, branded and unbranded) plus also a system of penalties for payment upfront and reward for payment delays (instalments), a limited warranty that can be extended and conditions (penalty, reward) linked to delivery limitations from the supplier.

None of the groups have information (budget, needs, available stocks, conditions....) on their competitors or potential partners apart from their status (buyer-seller). Each group decide which information they exchange during the meetings in order to find an agreement.

After one compulsory meeting between all the groups in pairs, so after nine meetings between importers and retailers, the opportunity of a meeting between negotiators from the same family (importers or retailers) is offered to all the groups. Then the participants can use any strategies, techniques, tactics and meetings required in order to get a deal. There is no time limit but the simulation usually requires between three and four hours for the groups to find agreements.

Each group is asked to position itself two times in terms of strategic orientations presented by Dupont (1996): once the instructions and elements are delivered (before negotiating) and after a first meeting with all the potential partners.

At the end of the experimentation, each group describes the evolution of its strategic positioning together with the contracts and outcomes of negotiation.

2.3 *The “ingredients”*

- A distributive situation

The sales potential (in shop) for the retailers establishes a maximum budget. They fix the proportion that they want to spend for acquiring the goods.

On the other side, importers knowing the cost of their stock fix the margin that is acceptable to them. The differences in payment, delivery and warranty conditions between importers and retailers create an even higher level of competition between the potential partners.

Basically what a group earns correspond to what his counterpart concede in the agreement between them.

While the interdependency should encourage negotiators to cooperate, the distributive structure is forcing them to compete on a market with several competitors.

- Power balanced

All the elements are the same within each family (importers and retailers) for all the groups.

The AEI groups have the same stocks (branded and unbranded) with the same initial expense, the same conditions for payments, delivery and warranty extension.

The AER groups have all the same budget (same sales potential in shops) and also the same conditions for payments, delivery and warranty extension.

The global offer in branded and unbranded equipment matches the global demand.

- Opportunities and flexibility

The AEI groups have flexibility over fixing a price for the equipment (they only have a “recommended” price in their instructions). Same for the AER groups who can fix the amount that they want to spend. Each group can set up an agreement with any of the participants, even in the same family. For example one of the AEI can decide to buy the existing stocks from its competitor in order to remain the only offer on the market.

The two different categories of products (branded and unbranded) offer different profit potential so a system of compensation can be established in order to reach a more balanced agreement.

The delivery, warranty and payment conditions can increase (or reduce) the profit potential but also add more complexity to the negotiation process.

- Fixing objectives and strategy

Fixing objectives here is mostly based on the position in terms of offer and demand. The problem for the participants is that they have no idea of the global situation regarding quantities and focusing only on prices does not guaranty that an agreement will be eventually possible. So their interest would be to cooperate in the first place while the lack of information forces more participants to enter in the negotiation process with a competition spirit.

As a consequence, the lack of trust which is one of the most difficult variables to establish in this situation (distributive) would encourage participants to be more “Defensive” than “Offensive”. Unless they are willing to manipulate or even deceive through the kind of information that they reveal, their interest is to let their counterpart take the initiatives.

The use of time also depends mostly on the global situation. If offer is larger than demand, a retailer has no interests in rushing while the opposite would require a quick positioning over the available stocks.

Same issue with “Adaptation” or “Imposition” which depends on the perceived balance of power; A willingness to impose conditions and rules in a situation where competitors are more flexible would reduce the chances of finding an agreement.

Finally, the existence of two categories of products (branded and unbranded) plus the other conditions offer the possibility to extend the object of negotiation to something global or to limit the discussion to one product or even one variable. Therefore, many techniques can be used from a global cooperation based on a fixed budget to spend (or a total of sales to be reached) to a competition on every point to be negotiated (quantities, prices, deliveries, warranty, payment delays...)

3 Strategic combinations and oppositions

3.1 The initial choices

Before negotiating and based on the proposed model from Dupont (1996), these were the combinations selected by the sellers (Importers-Wholesalers):

Group AEI 1: *Competition-Defensive-Short-Imposition-Open*

The Group 1 had obviously no intention to concede easily, to reveal information and would like to find quick agreements imposing the rules (hierarchy of points to debate for example) while keeping open the object (no restriction to only one product, element or condition).

Group AEI 2: *Competition-Defensive-Long-Adaptation-Limited*

In the Group 2, Time was to be used in order to get information while adapting to the evolution of the situation (due to the competitors and partners) and keeping control over the points to be negotiated at a time (limited).

Group AEI 3: *Competition-Defensive-Short-Adaptation-Open*

Here there was a willingness to act quickly in adaptation to the counterpart propositions on all the aspects of the negotiation possible objects. While “adaptation” and “open” reflect a high level of trust, the combination with competition and defensive show a real uncertainty over the level of power and situation on the market.

If we compare the three groups, “Competition” and “Defensive” show a lack of trust over the potential partners and uncertainty regarding the balance of power. A preference for “Adaptation” reflects the need to be flexible in a situation dictated by the confrontation between offer and demand and “Imposition” the willingness to control some aspects of the process.

In Group 2 “Adaptation” is counter-balanced by a strategy of restriction regarding the points to negotiate at a time. In Groups 1 and 3, the necessity to find agreements quickly leads to an “Open” process of negotiation and global propositions.

For the buyers (Retailers):

Group AER 1: *Competition-Defensive-Short-Adaptation-Limited*

Here the paradox is in the choice of “Adaptation” in a combination that is highly competitive. It might reflect uncertainty regarding the market or a large flexibility over the points to be

negotiated. The association “Short-Limited” reveals a willingness to conclude quickly on separated points instead of a global deal.

Group AER 2: *Cooperation-Defensive-Long-Imposition-Open*

“Cooperation and “Defensive” seem contradictory. A willingness to cooperate has to be demonstrated straight away. Here the intention is to cooperate with restrictions on rules to follow (Imposition) and on the basis of the counterpart propositions and demands. As the combination “Cooperation-Long-Open” shows an inclination to find the most suitable solutions, the option “Defensive-Imposition” reveals a limit in the risk taking propensity.

Group AER 3: *Competition-Defensive-Long-Adaptation-Limited*

Using time while adapting to the counterpart seems incompatible with a “Competitive, Defensive and Limited” approach. The intention might be to reduce risk while expecting through time that opportunities will raise and contribute to profitable agreements.

Only one group was on “Cooperation” but with a “Defensive and Limited” approach which reduces the collaboration potential. The variation for the two other groups was only related to time with a consensus over the necessity to be prudent and competitive but to adapt (quickly or slowly) to the environment with restrictions on the negotiation object every time.

The following figure display the positions in terms of strategies before negotiating with the differences and similarities between the groups.

	Differences	Common strategies
AEI 1 ↔ AER 1	IMPOSITION ↔ ADAPTATION OPEN ↔ LIMITED	COMPETITION-DEFENSIVE-SHORT
AEI 2 ↔ AER 1	LONG ↔ SHORT	COMPETITION-DEFENSIVE ADAPTATION-LIMITED
AEI 3 ↔ AER 1	OPEN ↔ LIMITED	COMPETITION-DEFENSIVE SHORT-ADAPTATION
AEI 1 ↔ AER 2	COMPETITION ↔ COOPERATION SHORT ↔ LONG	DEFENSIVE-IMPOSITION-OPEN
AEI 2 ↔ AER 2	COMPETITION ↔ COOPERATION ADAPTATION ↔ IMPOSITION LIMITED ↔ OPEN	DEFENSIVE-LONG
AEI 3 ↔ AER 2	COMPETITION ↔ COOPERATION SHORT ↔ LONG ADAPTATION ↔ IMPOSITION	DEFENSIVE-OPEN
AEI 1 ↔ AER 3	SHORT ↔ LONG IMPOSITION ↔ ADAPTATION OPEN ↔ LIMITED	COMPETITION-DEFENSIVE
AEI 2 ↔ AER 3	NONE	ALL
AEI 3 ↔ AER 3	SHORT ↔ LONG OPEN ↔ LIMITED	COMPETITION-DEFENSIVE ADAPTATION

Fig.1. Initial strategies compared

3.2 *The potentially “difficult” and “less difficult” relationships*

The fact that all groups decided to be “Defensive” shows the lack of trust before negotiating. Reducing the exchange of information or being reluctant to reveal important information creates an even more competitive situation and will reduce for all the participants the chances of finding agreements quickly. In that sense quite all the groups start in a competition spirit with combinations that might be sometimes difficult to apply. For example, “Defensive-Long-Adaptation-Limited” seems as contradictory as “Cooperation-Defensive” probably is. In the first case, using time without taking initiatives and adapting to the counterpart rules and propositions while keeping control over the points to be negotiated appears difficult to play. In the second case, cooperation has to be expressed and being defensive might give the impression that this collaborative approach is in fact manipulation. How to interpret “Competition-Adaptation-Open” together with “Short”? Trying to find quickly a global deal by adapting to the propositions and rules of your counterpart reveals more “Cooperation” than “Competition”.

Therefore, some combinations might reveal more or less compatible or on the opposite incompatible with the others.

In that sense the **AER 1** positioning offers less difficulty than the others AER in the confrontation with all the AEI groups. “Short” and “Adaptation” display the willingness to find quickly solutions in response to the other party propositions. Same for the **AEI 3** group with quite the same positioning but with “Open” instead of “Limited” which enables to find global deals including all aspects. This could slow down the process due to the numbers of elements to negotiate that are entangled (prices, quantities, deliveries, payment....) or fasten it if the propositions are appropriate.

For **AER 1**:

- With **AEI 1**, the ADAPTATION↔IMPOSITION difference together with LIMITED↔OPEN can balance and be complementary. Adaptation becomes a response to imposition with a control over the points to be negotiated in a partial instead of global agreement that reduces the risks.

COMPETITION-SHORT as a common strategy will help reducing time even if both sides are defensive. At least one of the groups will have to become offensive and release information either for imposing the rules (AEI 1) or restricting the points to negotiate (AER 1).

- With **AEI 2**, ADAPTATION-LIMITED on both sides should help finding an agreement as long as the partners agree on the points to be negotiated in a partial agreement. This will also have an effect on the opposition LONG ↔ SHORT. The perception of the balance of power due to the capacity to adapt will probably force one of the groups to change from “Short” to “Long” or the opposite. As being “Defensive” and “Short” is difficult to play even if you adapt, there are chances that AER 1 will become more offensive and take initiatives.

- With **AEI 3**, OPEN ↔ LIMITED is the only strategic difference between the partners. So probably the negotiation will first be based on the necessity to find only a partial deal or a global one with two groups that are ready to adapt in a quick process. Here again, one of the two groups will have to become more offensive depending on the perception of the situation.

AER 2 as the only group to start with “cooperation” but with a “defensive” orientation is facing three groups positioned on “competition” and “defensive” too which should lead to a difficult communication process. Furthermore, the “imposition” choice together with the “long” option gives an impression of a favorable balance of power questioning the initial

cooperation position. Through time, the “cooperation” option might change to “competition” depending on the capacity for partners to adapt.

- With **AEI 1**, the opposition LONG ↔ SHORT together with the same willingness to “impose” rules should create more conflict unless both groups agree on the same procedure.

- With **AEI 2**, we have quite the same situation as with AER 1-AEI 1. The IMPOSITION ↔ ADAPTATION opposition together with OPEN ↔ LIMITED can balance and be complementary in a situation where both groups want to use time in order to find the best possible deal.

- **AEI 3** should become a good possible partner. Both groups are willing to reach a global deal (Open). The “Imposition” from **AER 2** faces “adaptation” from the other side. The difference regards the use of time, “Long” being opposed to “Short”. Here the perception of the balance of power should force one of the groups to change this position.

AER 3 has quite the same combination as **AER 1** with a difference regarding the use of time.

- With **AEI 1**, once again (as with AER 1- AEI 1 and AER 2 - AEI 2) the ADAPTATION↔IMPOSITION opposition together with LIMITED↔OPEN can balance and be complementary. The opposition LONG↔SHORT will probably force AEI 1 to become more offensive and exchange information or for AER 3 to accelerate the process.

- With **AEI 2**, as both groups are willing to use the same strategic orientations, many questions raise. Which group will first become more offensive? Which one can afford more than his counterpart to take time and slow down the process? Here the capacity to find an agreement would probably depend on the common vision of the points to negotiate first (Limited).

- With **AEI 3**, The opposition is on the willingness to establish quickly (Short) a global deal for AEI 3 (Open) in front of the intention to take time (Long) to discuss a partial agreement (Limited)

3.3 *Fixing Objectives*

All groups were free to fix their objectives and margins of maneuver depending on their initial budget or expenses.

In the **AER** group, the highest objectives were fixed by Groups 2 and 3; The “Long” strategic orientation showing probably the intention to use time in order to obtain the best possible concessions.

In *Group 2*, the intention was to discuss all aspects at the same time in order to find a global deal (Open) while keeping control on the points and aspects to discuss (Imposition).

In *Group 3*, the intention was to maximize on every aspect and make several separated negotiations while adapting to their counterpart (Adaptation-Limited).

Group 1 had the lowest objective which explains the willingness to act quickly (Short), adapting to the other party while reducing the risk (Limited) through making partial deals.

In the **AEI** group, the highest objective was fixed by the *Group 2* with the same strategic position as AER 3.

Group 1 and 3 had lower and quite similar objectives with the intention to act quickly (Short), globally (Open) with a perception of the balance of power in this situation quite unfavorable in the case of *Group 3* which explains the “Adaptation” orientation.

3.4 The evolution of strategies and the design of counter-strategies

After the first meetings, the groups were asked to confirm or reposition themselves in terms of strategies (if needed).

AEI 3 was the only group to keep the same strategic orientations. The intention was to find quickly global deals with one or several partners based on reasonable offers and objectives on a market that was perceived as unfavourable. This option was preferably aiming AER 1 with the intention to force them to change from “Limited” to “Open”.

Apart from this group, all moved from “Defensive” to “Offensive”; the difficulties in exchanging crucial information creating an even more competitive and mistrustful ambiance.

Three groups modified their positions by reinforcing some of the initial orientations, creating therefore new orientations (counter strategies) in response to the first meetings.

The strongest changes came from **AER 3** with a switch from “Adaptation” to “Imposition” but more significantly from “Limited” to even “**More Limited**” meaning that the group was willing to reduce the number of points to be negotiated in every meeting; a partial agreement being a pre-requisite for further meetings. This strategy was dedicated mainly in response to AEI 2 same position.

AEI 1 decided to change from “Open” to “Limited” but also to reduce Time by opting for a “**Shorter**” orientation in a “take it or leave it” spirit in front of the only group with “Short” orientation (AER 1) .

On the opposite, **AEI 2** changed from “Limited” to “Open” with a determination to use time even more in a “**Longer**” orientation, waiting for the last minute in order to get the best possible deal with groups already in a “Long” orientation (AER 2, AER 3).

The following figure shows the main differences compared to the initial positioning:

	Initial Strategic Combination	Modified Strategic Orientations
AEI 1	COMPETITION-DEFENSIVE-SHORT IMPOSITION-OPEN	OFFENSIVE- <u>SHORTER</u> -LIMITED
AEI 2	COMPETITION-DEFENSIVE-LONG ADAPTATION-LIMITED	OFFENSIVE- <u>LONGER</u> -OPEN
AEI 3	COMPETITION-DEFENSIVE-SHORT ADAPTATION-OPEN	NO CHANGE
AER 1	COMPETITION-DEFENSIVE-SHORT ADAPTATION-LIMITED	OFFENSIVE-OPEN
AER 2	COOPERATION-DEFENSIVE-LONG IMPOSITION-OPEN	COMPETITION-OFFENSIVE
AER 3	COMPETITION-DEFENSIVE-LONG ADAPTATION-LIMITED	OFFENSIVE-IMPOSITION <u>MORE LIMITED</u>

Fig.2. Changes in Strategic Orientations

3.5 The difficult path to cooperation and a “Tit for tat” revisited

As explained before, negotiation is always a mix of competition and cooperation. In order to find an agreement, participants must cooperate while competing over diverging interests.



Therefore strategies are often conceived on beliefs about what are the other party interests and expectations. In any situation the initial strategies and the following changes have different and sometimes unpredictable effects over the capacity to reach an acceptable position on each side. Even the most elaborated strategies produce only their effects during the interaction and sometimes must be changed quickly depending on the counterpart reaction. This requires not only flexibility but also a contingency approach as many variables can influence a negotiator position during the process.

The question of reciprocity in strategic adaptation then remains essential.

A systematic “Competition” and “Defensive” combination on both sides forces the negotiators eventually to consider cooperation in a more offensive way as the intention to impose rules must finally evolve towards a certain adaptation to the counterpart’ mode.

Here, the most interesting aspect comes from the intention from three groups to reinforce some orientations in response to the counterpart positioning.

A “Short” orientation calls for an even “Shorter” in order to put pressure over the opponent. A willingness to take time and consider all options and alternatives (Long) finds itself in front of an even “longer” positioning creating an impression of unfavorable balance of power; a “Limited” orientation with restrictions over the points to be discussed faces an even more restricted position. These “stronger” or accentuated orientations while creating a surprise effect force the negotiator who is submitted to it to reconsider its initial combination.

	Initial 	Modified		Modified 	Initial	
AEI 1	COMPETITION DEFENSIVE SHORT IMPOSITION OPEN	- OFFENSIVE SHORTER - LIMITED		- OFFENSIVE - - OPEN	COMPETITION DEFENSIVE SHORT ADAPTATION LIMITED	AER 1
AEI 1	COMPETITION DEFENSIVE SHORT IMPOSITION OPEN	- OFFENSIVE SHORTER - LIMITED		COMPETITION OFFENSIVE - - -	COOPERATION DEFENSIVE LONG IMPOSITION OPEN	AER 2
AEI 1	COMPETITION DEFENSIVE SHORT IMPOSITION OPEN	- OFFENSIVE SHORTER - LIMITED		- OFFENSIVE - IMPOSITION MORE LIMITED	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	AER 3

AEI 2	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	- OFFENSIVE LONGER - OPEN		- OFFENSIVE - - OPEN	COMPETITION DEFENSIVE SHORT ADAPTATION LIMITED	AER 1
AEI 2	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	- OFFENSIVE LONGER - OPEN		COMPETITION OFFENSIVE - - -	COOPERATION DEFENSIVE LONG IMPOSITION OPEN	AER 2
AEI 2	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	- OFFENSIVE LONGER - OPEN		- OFFENSIVE - IMPOSITION MORE LIMITED	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	AER 3

AEI 3	COMPETITION DEFENSIVE SHORT ADAPTATION OPEN	-	- OFFENSIVE - - OPEN	COMPETITION DEFENSIVE SHORT ADAPTATION LIMITED	AER 1
AEI 3	COMPETITION DEFENSIVE SHORT ADAPTATION OPEN	-	COMPETITION OFFENSIVE - - -	COOPERATION DEFENSIVE LONG IMPOSITION OPEN	AER 2
AEI 3	COMPETITION DEFENSIVE SHORT ADAPTATION OPEN	-	- OFFENSIVE - IMPOSITION MORE LIMITED	COMPETITION DEFENSIVE LONG ADAPTATION LIMITED	AER 3

Fig.3. Confrontations after changes in Strategic Orientations

3.6 The final agreements

After several meetings, agreements were finally settled between all groups as shown in the following figure and in the following order:

1st	AEI 1 ↔ AER 1
2nd	AEI 3 ↔ AER 2
3rd	AEI 2 ↔ AER 3

The fact that the first agreement was quick and a global one with only one partner reduced the possibilities of multiple deals between the other potential partners. It forced the other groups to consider also a single agreement and concentrate on one possible partner only.

The AEI 1-AER 1 agreement might be explained by some compatible strategic options and a form of “Tit for tat” which led partners to cooperate quickly. The two groups became “Offensive” while remaining in competition and made changes over the “Open-Limited” option on each side through time. This reciprocity in reducing or opening the points to negotiate in favour of a global deal led partners to simple propositions instead of complex and partial deals. More than this the capacity for one group to accelerate (Shorter) in front of a partner that was willing to act quickly created a system of emergency on an unsecure market that led to compromising. This “Shorter” option had more effect with AER 1 than with the two other AER which were positioned on “Long” and might have interpreted this as a pressure tactic from a partner in an unfavourable balance of power.

AEI 1 and AER 1 had lower objectives than the others which might explain also the capacity to find quickly a mutually satisfactory settlement.

The second agreement (AEI 3-AER 2) was made between one group with high objectives (AER 2) and one with low objectives compared to the others. The change from “Cooperation” to “Competition” from AER 2 comes as a response to all the possible partners’ positions. At the same time, the combination “Cooperation-Defensive-Long” while imposing was quite difficult to maintain even more with the “Open” option. AEI 3 by being on “Adaptation-Open” was probably the most suitable partner even if the orientation towards time was different (Long vs Short); The “Shorter” and “Limited” options from AEI 1 being quite incompatible and the “Longer” from AEI 2 becoming unsafe on a market where one or two potential partners had already signed a deal.

The fact that AEI 3 did not change any strategic orientation after the first meetings was creating a sort of stability in the process for a potential partner who knew already the position. Here again the reciprocity on “Competition-Offensive” led the two groups to cooperate in the end.

The last agreement (AEI 2-AER 3) was the most difficult to establish for many reasons.

First, the two partners were the only remaining on the market; this interdependency forcing to cooperate but creating also a conflict over the gains distribution between two groups with the highest expectations and objectives.

The AER 3 strategic combination had evolved after the first meetings towards an even stronger position (Imposition-More Limited). This might explain why the two other AEI were reluctant to negotiate with them. By positioning on “Longer” AEI 2 may have concentrated too much on using time on a market that was reduced in terms of partners and time also.

Finally, although all the groups were constituted of three individuals, none of them decided to lead separated individual negotiations with different strategies adapted to their counterpart. While simplifying the process it reduces the opportunities and evolutions of possible agreements.

Concluding remarks

One of the most important aspects in negotiation is the necessity to organize every element around an objective. Preparing a strategy involve a consideration of the best ways and means enabling to reach that objective. While negotiators have the choice between accommodation strategies and confrontation ones, the problem is that it is impossible to practice them simultaneously. Therefore, the starting point might be decisive regarding the evolution of the process. Axelrod demonstrated that a single global strategy can stimulate the cooperation from the other party. Reciprocity can force one's opponent to switch from competition to collaboration. But strategic choices are often more complex than only based on two dimensions (competition-cooperation) even if it represents the essence of any negotiation. Numerous independent and dependent variables have to be taken into consideration.

One interesting aspect through the options listed by Dupont (1996) is that they confer more realism to the negotiator's position. Moreover they provide with combinations that can either be reactive or proactive ones. In that sense the experimentation presented above has delivered many variations in a “Tit for tat” spirit to some extent that created interesting situations leading to final agreements. More than the quality of outcomes, these strategies and counter strategies revealed the difficulties of adjusting in an interaction mostly based on diverging interests but also interdependency.

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