Negotiation often means distribution, ‘dividing up the negotiating pie.’ The procedure is therefore known as distributive bargaining. For example, when the negotiation is centred on the price of a car, one of the parties is set to gain and the other to lose. The two positions are diametrically opposed and in competition with one another. In this situation we tend to speak of a winner and a loser, although both partners might prefer to obtain an agreement (usually arrived at voluntarily), even if unbalanced, than to be without one at all. The terms winner and loser are purely relative. The winner is simply the one who gets closer to his objectives than the other. In distributive bargaining the size of the pie to be shared out is known from the outset and does not vary. In our example, whatever price is finally decided upon we are still talking about the same car. The buyer and seller negotiate around a price, and the one who bargains skilfully can gain an advantage for himself – admittedly always at the expense of the other. In game theory such an arrangement is also called zero-sum game or fixed-sum game, because losses and gains always cancel one another out, i.e. they add up to zero. That is the chief difference between distributive bargaining and integrative bargaining, which we shall be developing in Chapter 4. The principle of integrative bargaining is simple in theory, but complicated in practice; since a number of issues are negotiated at the same time, both sides can win on some points and give way on others. The creativity and skill of the two partners in such a transaction ultimately determines the size of the pie to be shared. In an ideal world, each of them will get what is important to him, so that a good conclusion to a negotiation means that ultimately both sides win.
Adversary or partner?

Clearly, these two basically different ways of negotiating will require different approaches. To ignore this can be devastating for the result, but it all too often happens. Because in the distributive approach each negotiator is battling for the largest possible piece of the pie, it may be quite appropriate – within certain limits – to regard the other side more as an adversary than a partner and to take a somewhat harder line. This would however be less appropriate if the idea were to hammer out an arrangement that is in the best interest of both sides. If both win, it’s only of secondary importance which one has the greater advantage. A good agreement is not one with maximum gain, but optimum gain. This does not by any means suggest that we should give up our own advantage for nothing. But a cooperative attitude will regularly pay dividends. What is gained is not at the expense of the other, but with him. More about this in Chapter 4.

The zone of possible agreement

Even the toughest battle for distribution, with which we shall deal first, starts with a common interest. Unless both sides are interested in hammering out an agreement, there is nothing to share. If the bargaining is to achieve anything, there may be no irreconcilable differences of interests, and they must overlap in some way at least. Very often there will even be a whole range of issues on which in principle an agreement is possible. This range is known as the zone of possible agreement or ZOPA (Walton and McKersie, 1965). It corresponds to the proverbial pie that can be shared.

The side that can claim more than half of the zone of possible agreement for itself gets the larger slice of the pie. How does this work? A good negotiator will first try to determine the ZOPA as accurately as possible. Until he has this information he cannot have a clear picture of the situation. He will regularly start by asking himself whether there is in fact any zone of possible agreement at all. Sometimes the ideas entertained by the different parties diverge so greatly that it would be a pure waste of time to enter in a negotiation. Perhaps the positions are reconcilable for a limited time only and could be brought closer together over a number of