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# Conceptual Foundations: Walton and McKersie's Subprocesses of Negotiations

## **Abstract**

[Excerpt] Walton and McKersie's 1965 book, *A Behavioral Theory of Labor Negotiations*, provides much of the conceptual underpinnings of what grew into the modern-day teaching of negotiations in business, public policy, law, and other professional schools. We therefore believe that it is useful to outline the basic concepts and ideas introduced by these authors. We do so, however, with a word of caution. There is no substitute for the original. Every student should have the pleasure of struggling (as we did the first time it was assigned to us as students) with the tongue twisters like "attitudinal structuring" and the many other new terms and theoretical ideas introduced in the book!

## **Keywords**

bargaining, negotiation, subprocesses, Richard E. Walton, Robert B. McKersie

## **Disciplines**

Collective Bargaining | Dispute Resolution and Arbitration | Labor Relations

## **Comments**

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## Conceptual Foundations

### Walton and McKersie's Subprocesses of Negotiations

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Walton and McKersie's 1965 book, *A Behavioral Theory of Labor Negotiations*, provides much of the conceptual underpinnings of what grew into the modern-day teaching of negotiations in business, public policy, law, and other professional schools. We therefore believe that it is useful to outline the basic concepts and ideas introduced by these authors. We do so, however, with a word of caution. There is no substitute for the original. Every student should have the pleasure of struggling (as we did the first time it was assigned to us as students) with the tongue twisters like "attitudinal structuring" and the many other new terms and theoretical ideas introduced in the book!

#### **The Four Subprocesses of Negotiations**

The heart of the Walton and McKersie model are four subprocesses that together make up the negotiation process. The authors draw on a wide range of literature and theories from economics, psychology, group dynamics, and industrial relations to develop these subprocesses.

#### *Distributive Bargaining*

The *distributive bargaining* subprocess refers to how negotiators resolve differences when their interests or positions are in conflict. In game theory this is referred to as a zero-sum game; behavioral scientists sometimes call

this a win-lose process. Negotiators are assumed to start bargaining with a gap between their positions. The bargaining task is to locate a compromise on a continuum somewhere in between. Bargainers are further assumed to have some *target* point and some *resistance* point in mind that influence their offers and counteroffers. The target point reflects the aspirations or most-favorable goals each party has for the outcome, while the resistance point captures the least-favorable outcome acceptable to each party. If there is a gap between resistance points, as in Figure 1.1a, there is said to be a negative contract zone, and an impasse (perhaps a strike in labor negotiations) is likely.

A positive contract zone (Figure 1.1b) indicates an overlap in bottom-line positions: potential for an agreement exists. What keeps the parties motivated to negotiate when their interests are in conflict? They are assumed to be tied together in an ongoing interdependent relationship. Each party needs the other to satisfy its interests. The employer needs the workers and is in an ongoing bargaining relationship with the union. The workers need the employer for their livelihood. So, in this model the alternative to an agreement is a temporary impasse or strike, not a permanent ending of the relationship as might be the case if a buyer and seller of a used car cannot agree on an acceptable price.

Walton and McKersie go on to use a variety of behavioral science concepts to illuminate how negotiators think about their interdependence, how they make decisions, how the concession-making process unfolds, and how parties use commitment tactics to enhance their individual gains. While for some, distributive bargaining is the full story of negotiations, it is only the starting point in the Walton and McKersie model.

### *Integrative Bargaining*

*Integrative bargaining* refers to the process of seeking joint gains by either approaching or expanding the Pareto-optimal frontier. The parties see themselves as having a joint problem. Walton and McKersie present a problem-solving model to explain the dynamics of reaching an agreement. Integrative bargaining can take place over a single issue in which the parties identify a common objective or over multiple issues, some of which involve conflicting interests and some, shared interests. They refer to the latter situation as a *mixed-motive* situation and see this as the most common type of negotiation. When facing a mixed-motive negotiation, the task is to look for trade-offs across the issues that leave both parties better off than if they dealt with each separately. Later, other behavioral scientists

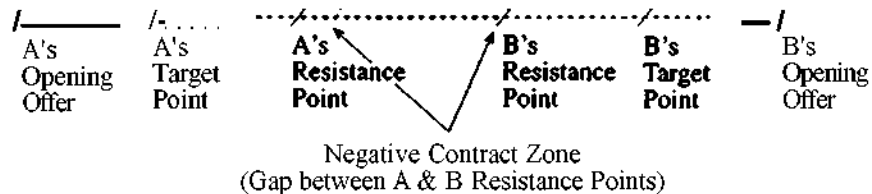


Figure 1.1a. Contract Zones in Distributive Bargaining: The Case of a Negative Contract Zone

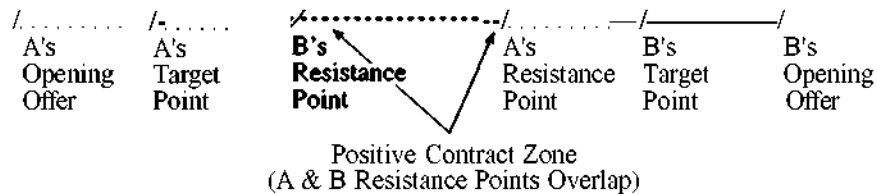


Figure 1.1b. Contract Zones in Distributive Bargaining: The Case of a Positive Contract Zone

would use the term *win-win bargaining* to describe integrative bargaining. Some would equate integrative or win-win bargaining with Fisher and Ury's concept of *interest-based or principled negotiations*, although Fisher and Ury distinguish their concept from both distributive and integrative bargaining (Fisher and Ury 1981).

### *Intra-organizational Bargaining*

A third subprocess, *intra-organizational bargaining*, recognizes that negotiators often do not act as individual decision makers. Instead, they serve as representatives of *groups or organizations* and must answer to these constituents. This feature gives rise to the possibility, indeed the likelihood, that there are diverse views or interests within these organizations. Thus, negotiation needs to take place within each group to reconcile differences and unite negotiating efforts. Each party therefore has to engage in several levels of *intra-organizational bargaining*—negotiating within the team and with the constituency—in order to build consensus within the party.

### *Attitudinal Structuring*

Finally, Walton and McKersie realized that it makes a difference how the parties view each other in the bargaining process. The fourth subprocess, *attitudinal structuring*, specifically addresses these perceptions and proposes ways that negotiators can shape the other party's attitudes to advance either their own or their mutual advantage. It makes explicit that negotiations involve more than the substantive terms of the deal. Negotiations also produce relationship outcomes. Parties may increase or decrease their trust in each other as a result of how they are treated by the other party in negotiations. In turn, these perceptions will shape the context for future interactions or rounds of negotiation the parties have with each other. An important part of negotiation, therefore, involves a judgment of how hard to push one's temporary bargaining advantage or power if doing so might produce a negative reaction from a party to an ongoing relationship like a marriage, a work group, a strategic business partnership, or a labor-management relationship.

While these subprocesses are introduced separately, much of the art and science of negotiations lies in how they interact. Low trust inhibits integrative bargaining. Failure to resolve intra-organizational conflicts prior to bargaining slows the concession and compromise processes in distribu-

tive bargaining. Negotiators who engage in integrative bargaining when constituents have low trust in them or their bargaining counterparts risk rejection of tentative agreements. Poor communications, perhaps because of low trust, may lead to impasses even when a positive contract zone exists. All the dynamics and the ultimate outcome of negotiations are influenced by the relative power of the parties.

This brief summary only introduces the broad features and central concepts in the Walton and McKersie model. We leave it to the authors of the other chapters in this volume to illustrate the many ways this theory has shaped the research, teaching, and practice of negotiations in the years since its publication.