



Interpersonal Bargaining ^[1]

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Theory of Cooperation and Competition

Interpersonal bargaining is one of the many activities we usually engage in without even realizing it. The Moran Deutsch and Robert Krauss Experiment investigated two central factors in bargaining, namely how we communicate with each other and the use of threats.

This social psychology experiment has been widely recognized by experts for being successful in devising an explanation on why people oftentimes fail to effectively bargain with one another.

The following experiment investigates the two major factors that determine the success of interpersonal bargaining: threat and communication.

To resolve conflict, there are two basic orientations that people adhere to when engaging in negotiations: cooperative or competitive. These two conflict styles differ in such a way that in one style, both parties seem to get the advantage while the other one results to a win-lose outcome.

In every conflict, to be able to arrive into a certain resolution, both cooperation and competition are necessary. Morgan Deutsch and Robert Krauss investigated the use of threats and how people communicate when it comes to interpersonal bargaining.

First Experiment: Methodology

In the first experiment, the participant is asked to play a game against another participant where both will be running a truck company. The goal of the game is just like that of a real trucking company, that is, to make as much money as they can.

The participant's trucking company will be aiming to deliver as many goods as possible to a particular destination as quick as it can. In the game, the player will only have a single starting point, a single destination and a single opponent.

The following map shows how one truck has to travel across to its destination:

Map shown to Participants in the Interpersonal Bargaining-Experiment

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Map shown to Participants of Deutsch and Krauss Interpersonal Bargaining-Experiment

Both participants are presented to an identical problem. Both have two routes they can take from the start to the destination - the short and the long way. The short route, which is the quickest way to get to the destination, is one-way. Only one of the participants can travel down it at a time. This is where interpersonal bargaining comes in.

There will be no communication between the two contenders during the experiment and will both be seated in a cubicle from where one will only be able to see the control box for both his own truck and the experimenter.

As you can see, there is a gate at each opponent's own end of the one-way road. This will serve as the contenders' method of communication with each other. Each of them will be able to control their own gate, which can only be closed when their own truck is on the main route. This serves as the threat. It is reinforced by the experimenter that you are out to make as much money as you can for yourself and your opponent's profit is out of the question.

Results

In this experiment, each contender is expected to make no profit at all, if not a major loss. In the first set of trials, both contenders will likely shut their gates forcing both trucks onto the longer route which is 50% longer, causing you a great loss on the trip as a whole.

On the next set of trials, your trucks may meet head-on traveling up the one-way road, giving them both the need to reverse, again costing you time and money. Towards the end, none will be able to make profit.

Second Experiment: Methodology

To further test the effect of communication in interpersonal bargaining, Deutsch and Krauss introduced the use of headphones in the game. Everything else was the same, just this time participants will be able to talk to each other with the use of headphones.

Results

Even with headphones, the result was not significantly any different to the results of the first experiment when there was no means of direct communication between the two. Even with communication, it did not really help the two manage having a better understanding of each other.

Apparently, people's competitive orientation was stronger than their motivation to communicate.

According to the subjects, it was difficult to actually communicate to the other person to think both are strangers to each other.

Third Experiment: Forced Communication

This time, Deutsch and Krauss decided to test the effect of forced communication. Everything again remained the same, just that this time the participants were instructed that they have to say something to the other. In the event they do not talk to each other, the experimenter shall remind them to do so, regardless what their talk will be about as long as they do say something at least.

Results

This time, there was a positive outcome and there was some success shown for communication. Performance in the one-gate condition came close to that achieved in the no-threat condition.

Forced communication did not have that much of an effect on the no-threat condition compared to that of having none, and at the same time it did not improve the bilateral threat condition that much.

It appears that people are so competitive when they both feel threatened that it's difficult to avoid both sides from being on the losing end.

Limitations of the Experiment

The experiment covers a situation in which interpersonal bargaining is carried out under time pressure. It also follows that the longer the subjects take to arrive to a certain resolution, the less money they make. In real life, time constriction isn't always present.

Another thing is that, the setting has a relatively simple solution compared to how things really are in real life. In the experiment, participants need to make the most profit if they do share the one-way road. In real life, solutions are rarely clear-cut.

Conclusion

Here are some of Deutsch and Krauss' findings in their study:

- People's competitiveness tends to overcome effective communication between both parties since both parties do not want to be on the losing end.
- The cooperative style of negotiation is characterized by:
 - "Effective Communication" where ideas are verbalized, group members pay attention to one another and at the same time accept their ideas and are then influenced by them. These groups tend to have less problems communicating with

- and understanding others.
- “Friendliness, helpfulness, and less obstructiveness” is expressed in conversations. Members tend to be generally more satisfied with the group and its solutions as well as being impressed by the contributions of other group members.
 - “Coordination of effort, division of labor, orientation to task achievement, orderliness in discussion, and high productivity” tend to exist in cooperative groups.
 - “Feeling of agreement with the ideas of others and a sense of basic similarity in beliefs and values, as well as confidence in one’s own ideas and in the value that other members attach to those ideas, are obtained in cooperative groups.”
 - “Willingness to enhance the other’s power” to achieve the other’s goals and increases. As other’s capabilities are strengthened in a cooperative relationship, you are strengthened and vice versa.
 - “Defining conflicting interests as a mutual problem to be solved by collaborative effort facilitates recognizing the legitimacy of each other’s interests and the necessity to search for a solution responsive to the needs of all.” This tends to limit the scope of conflicting interests and keep attempts to influence each other to decent forms of persuasion.
- The competitive style of negotiation on the other hand is characterized by:
 - Communication obstruction for conflicting parties try to gain advantage by misleading each other through false promises and misinformation. Communication is ultimately reduced as the parties realize they cannot trust the other.
 - “Obstructiveness and lack of helpfulness lead to mutual negative attitudes and suspicion of one another’s intentions. One’s perceptions of the other tend to focus on the person’s negative qualities and ignore the positives.”
 - The parties are unable to effectively divide their work and end up duplicating efforts. When they do divide it, they continuously feel the need to check each other’s work.
 - Ongoing disagreement and critical rejection of ideas reduces participants’ self-confidence as well as confidence in the other parties.
 - The conflicting parties seek to increase their own power and therefore see any increase in the other side’s power as a threat.
 - The competitive process fosters the notion that the solution of the conflict can only be imposed by one side on the other. This orientation also encourages the use of coercive tactics such as psychological or physical threats and/or violence. This process tends to expand the range of contested issues and turns the conflict into a power struggle, with each side seeking to win outright. This sort of escalation raises the motivational significance of the conflict for the participants and makes them more likely to accept a mutual disaster rather than a partial defeat or compromise.

Cited from: beyondintractability.org [3], a paraphrased version of excerpts from Morton Deutsch's "Cooperation and Competition," in *The Handbook of Conflict Resolution: Theory and Practice*, eds. Morton Deutsch and Peter Coleman (San Francisco: Jossey-Bass Publishers, 2000)

Sources

[Competitive and Cooperative Approaches to Conflict by Brad Spangler](#) [3]

How to Avoid a Bad Bargain: Don't Threaten ^[4]

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