



## **PERCEPTION OF COMMITMENT IN REASONED NEGOTIATION**

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### **Abstract**

*This study explores the relationship between commitment and integrative negotiation. To this end, a questionnaire was designed and administered to a 100 SMEs/SMLs operating in the retail sector, selected through the quota sampling method. The results indicated that there is a positive relationship between commitment and reasoned negotiation as positively perceived by 70% of our respondents. Moreover, the results indicated also that level of commitment varies according to power of participants, as attested for by 53% of our respondents. Finally, when respondents asked about whether reasoned and integrative negotiation types are the same concepts, 67% disagreed with this conception. This indicates that the term "reasoned" is not commonly used or frequently encountered in the field of negotiation. These results imply that negotiators should opt for a 'win-win-type' of negotiation, reasoned negotiation, instead of indulging in self-oriented styles that would not benefit both parties.*

*Keywords: Negotiation, Engagement, Relationship, Integrative, Reasoned*

### **INTRODUCTION**

The goal of reasoned negotiation, which is a type of integrative negotiation that takes into account the requirements and interests of all parties, is to find creative and practical solutions. The goal of principled negotiating is to develop solutions that benefit both parties by putting their needs and interests ahead of rigid standpoints. It encourages the collaborative examination of multiple choices before deciding on an impartial and equitable solution, and it separates personal concerns from the important topics of negotiation. A business agreement is

the goal of the communication process known as business negotiation. It entails addressing and balancing the negotiators' positions, interests, expectations, and points of view.

As a strategic conversation, negotiation aims to settle a disagreement or come to a mutually agreeable arrangement. It usually entails a give-and-take procedure in which one or both parties are likely to compromise. Buyers and sellers, employers and prospective employees, governments, and other stakeholders are among the parties that engage in negotiations. Reasoned negotiation aims to reach an agreement based on objectives and verifiable criteria by focusing on the underlying interests rather than set stances and cooperatively exploring several possible solutions. When people cannot accomplish their objectives without the assistance of others, they engage in negotiation (Teucher et al., 2013; Zohar, 2015). De Dreu (2014) asserts that negotiation entails addressing conflicts of interest between two or more parties, which is accomplished by means of consistent communication. During negotiations, a variety of topics are discussed with corporations. These could include, among other things, cost, conditions of payment, deliverables, service quality, support, warranties, risk distribution, and insurance (Sollish & Semanik, 2015).

### **Commitment in Cooperation**

In their Relationship Marketing model, Morgan and Hunt (1994) consider commitment as a key mediating variable defined as the customer's willingness to put in the necessary effort to maintain a relationship they consider important over the long term. Cooperation needs mutual commitment from all partners in order to survive and function effectively.

Similar to trust, commitment is a key component of establishing long-term inter-firm relationships (Anderson and Weitz, 1992; Morgan and Hunt, 1994). The literature presents two definitions of commitment: explicit commitment, based on behaviorism and the work of Kiesler (1971), and implicit commitment, which denotes the customer's awareness of their purchasing behavior toward a partner and has two dimensions: economic and psychological. The first definition is purely cognitivist and refers to the customer's willingness to maintain a valuable relationship that will endure and grow over time.

Dwyer, Oh, Anderson, and Weitz (1992) later embraced this approach, defining commitment as an implicit or verbal assurance of the continuance of a relationship between two partners. They contend that commitment entails the client's readiness to forgo immediate gratification in favor of far more substantial long-term gains.

According to relevant studies, commitment is a crucial sign of the quality of a relationship. Economically speaking, the customer is committed since they are unable to

repurpose the particular assets they have contributed to the exchange, like admission fees or accrued loyalty points. From a psychological standpoint, implicit commitment justifies freely chosen purchases, and the buyer would incur psychological costs if they were to reexamine those choices.

Rationalization leads to stabilizing customer beliefs and behaviors. Accordingly, commitment is an exchange between partners, with each firm aiming to ensure the stability and continuity of the exchange. It signals a long-term orientation by both members, marked by the probability that the exchange will continue over time. The relationship between distributors and suppliers is based on mutual commitments, placing both parties in a long-term orientation, forming a dyadic (or network) relationship. According to cognitivists, commitment is the desire to maintain a valued relationship (Moorman, Zaltman, Deshpande, 1992), an implicit or explicit promise of relational continuity between exchange partners (Dwyer, Schurr, Oh, 1987), or the belief that the relationship is important enough to warrant maximum effort to preserve it (Morgan and Hunt, 1995).

### ***Components of Commitment***

Engagement and solidarity are strongly related concepts (Gundlach et al., 1995). There are three dimensions to these concepts:

- Instrumental (input): From an instrumental standpoint, commitment is a calculative act. Various defined inputs include: establishing mutual trust, aligning the partners' incentive structures, and making a commitment.
- Attitude component: This includes identification, affiliation, psychological attachment, emotional commitment, and value alignment. It operates with the intention of creating and maintaining a solid, long-term partnership.
- Temporal component: This highlights that commitment can only be long-term. Long-term commitment is a direct result of inputs, and involved people stop looking for other connections or benefits. Long-term partnerships eliminate role ambiguity, demand simpler and more adaptable administrative structures and procedures, save learning costs, and benefit from experience effects.

It follows that members who have a strong affective commitment to a particular supplier will do so purely out of self-interest, those who have a moral commitment will do so out of obligation, and those who have a strong commitment will do so out of force. Therefore, commitment is a need, duty and desire.

### **Structure of Commitment**

According to Gundlach et al. (1995), a customer's willingness to enter into a purchasing relationship is affected by both their prior purchasing patterns and their cognitive capacity to develop trust in a brand or partner. Credibility is the strength of the partners' commitments; partners with low credibility produce ambiguous motivations, lack a strong normative culture, and produce weak long-term commitments; proportionality, also known as reciprocity, suggests that equal commitments encourage cooperation, while disproportionate commitments result in conflicting incentives. Commitment entails the long-term adoption of a particular orientation that is based on the stability of the exchange and allows partners to reap long-term benefits.

Morgan and Hunt (1994) list three factors and three effects of commitment in their Relationship Marketing model. Shared ideals, the advantages of a relationship, and the expenses of ending it are the determinants of commitment. Consequences include cooperation, agreement, and the propensity to end the relationship.

Distributors are less interested in marketing rival brands when producers commit, since they have quicker access to market data to create and introduce new items. Distributors also gain from having easier access to the goods that their clients want, which helps them stand out from the competition. Because they find certainty in their actions, suppliers and customers are equally committed.

### **NEGOTIATION THEORIES**

Numerous authors have proposed a number of negotiation theories, showing the significance of taking this phenomenon into account in every human science research.

#### **History of reasoned negotiation research**

Research on negotiations started in the early 1960s. Zartman (1976) was the first to classify the various schools and movements addressing the concept into six different groups:

- "Historical description," which focuses on investigating relevant facts that were witnessed or experienced.
- "Analysis in terms of problem structure, motivations, or goals," as stated in Walton and McKersie's (1965) and Ikle's (2014) writings.
- "Personality types," as categorized by Deutsch (1973), Nicholson (1970), and Kelmann (1965).
- "Effective behaviors," proposed by Nierenberg (1973) and Karras (1970).
  - "Process school," which presents negotiation as a set of maneuvers addressing the need to reduce the gap between parties (Coddington, 1968, and Bartos, 1976).
  - "Role experimentation" by Spector (1975).

Additionally, the author proposed a list of several negotiation techniques and divided them into five classes: integrated, process, behavioral, strategic, and structural approaches.

According to Bartos (1974), the discrepancy between negotiation theory and its real-world applications is the root cause of the issues making the negotiating process more difficult. In order to create a systematic model of negotiation, Druckman (1977) asserts that the "mosaic of influences" must be overcome. "Negotiation theory is not yet well developed, either in terms of abstraction or in terms that can explain actual outcomes," argues Zartman (1976). Much more work is needed to develop the ideas that can be put into practice, the relationships that exhibit observed regularity, and the theories regarding causal influences.

This conception of a lack of negotiation theory is supported by Gulliver (1979). Perhaps absence of a thorough experimental context undermines this theory. Negotiations, as a form of decision-making, occur when there are no predefined decision-making rules, no established authority, and no fixed prices for goods or services (W. Zartman, 2004). Negotiation increasingly shapes daily interactions, leading to the establishment of relational dynamics based on contracts where negotiation skills are crucial (Rahmoune and Debabi, 2012).

### **Qualitative Global Models**

A number of authors have tried to model the outcomes of their theoretical efforts; the two primary authors who were successful in creating consistent models that have helped in the study of negotiation are Sawyer and Guetzkow (1965) and Walton and McKersie (1965).

- **Sawyer and Guetzkow's Model:**

This model, which Druckman (1977) revised, shows how several elements affect the negotiating process. Variables that are clearly specified interact with one another. These variables are outcome, process, and causal. They became factors in later discussions and reintegrate into the system. Personality types, organizational features (number of participants, time, and organizational level), cultural attitude shifts prior to negotiation, and the technical aspects of the negotiation are examples of causative variables.

Depending on how the negotiators behave, process factors determine the fundamental components of the negotiation process.

Outcome variables specify particular standards for assessment. They also make clear how continuous the negotiation is. Because it requires taking into account every aspect of the negotiation in order to be successful, the qualitative model seems complicated.

- **Walton and McKersie's Model:**

This model can be used in any kind of negotiation. The "activities" of the concerned negotiator are explained. This assumption is taken from Mastenbroek (1989), who identifies four processes: intra-organizational activities, attitude shaping, power balance, and resource allocation.

Many authors have used the idea of reliance to explain the power dynamics of distribution channels. For example, Beier and Stern (1969), Frazier and Summers (1984), and Dwyer et al. (1987) highlight potential reciprocity or reliance. Louart (1999) believes that this idea of dependency is "useful to understand the underlying stakes of alliances, partners, and business networks."

Additionally, according to Weber (1978), "Power is a property of social relations and not an attribute of an actor." In the A-B relationship, when practitioners wield power, this is not always evident. This is accurate: power manifests itself when A resists B's requests and B tries to overcome this opposition. According to this definition, there may or may not be potential power in a true dependent relationship. Absence of power does not, however, imply that it does not exist. Thus, a connection is made with the idea of power: one partner's power is based on their dependency. Partner A is dependent on partner B if they both rely on each other to accomplish their goals.

The resource dependence model, which examines dependency's causes, its unclear implications, and effect on organizational strategy decisions, can also be used as an analytical instrument. Distribution channels in marketing are described by the resource dependence theory as being predicated on the acquisition or exchange of resources. By placing dependent linkages in the distribution chain, Andaleeb (1995) validates this theory. Dependency describes a circumstance where a firm needs resources from another firm in order to accomplish its goals and survive. In this regard, Emerson (1962), Frazier (1983), Kale (1986), and Andaleeb (1995, 1996) all agree. The decision to place products on store shelves is one example of this type of dependence between manufacturers and major retailers.

## **METHODOLOGY**

This research adopted a descriptive research design to explore and analyze the subject matter. Descriptive research is useful for providing clear and data on what is happening in a relationship between the stakeholders in the distribution chain, especially between the producer and the distributor. Based on a rigorous analysis of the existing literature, we meticulously crafted a questionnaire to make sure it had a distinct goal and was intended to collect the right data. The questionnaire was created with unbiased, non-leading questions and clear,

understandable wording. We used the quota sampling technique for this study, beginning with one or more filter questions to weed out participants who were not a target for this study. A total of 100 respondents were included in the analysis after the questionnaire was administered online to clients and consumers who are part of the distribution chain and might be distributors or retailers. A five-point Likert scale was used: 1 meant strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. In fact, we interviewed 100 SME/SMI businesses about their interactions with supermarkets and retailers. We also asked them if reasoned negotiation and integrative negotiation were synonymous.

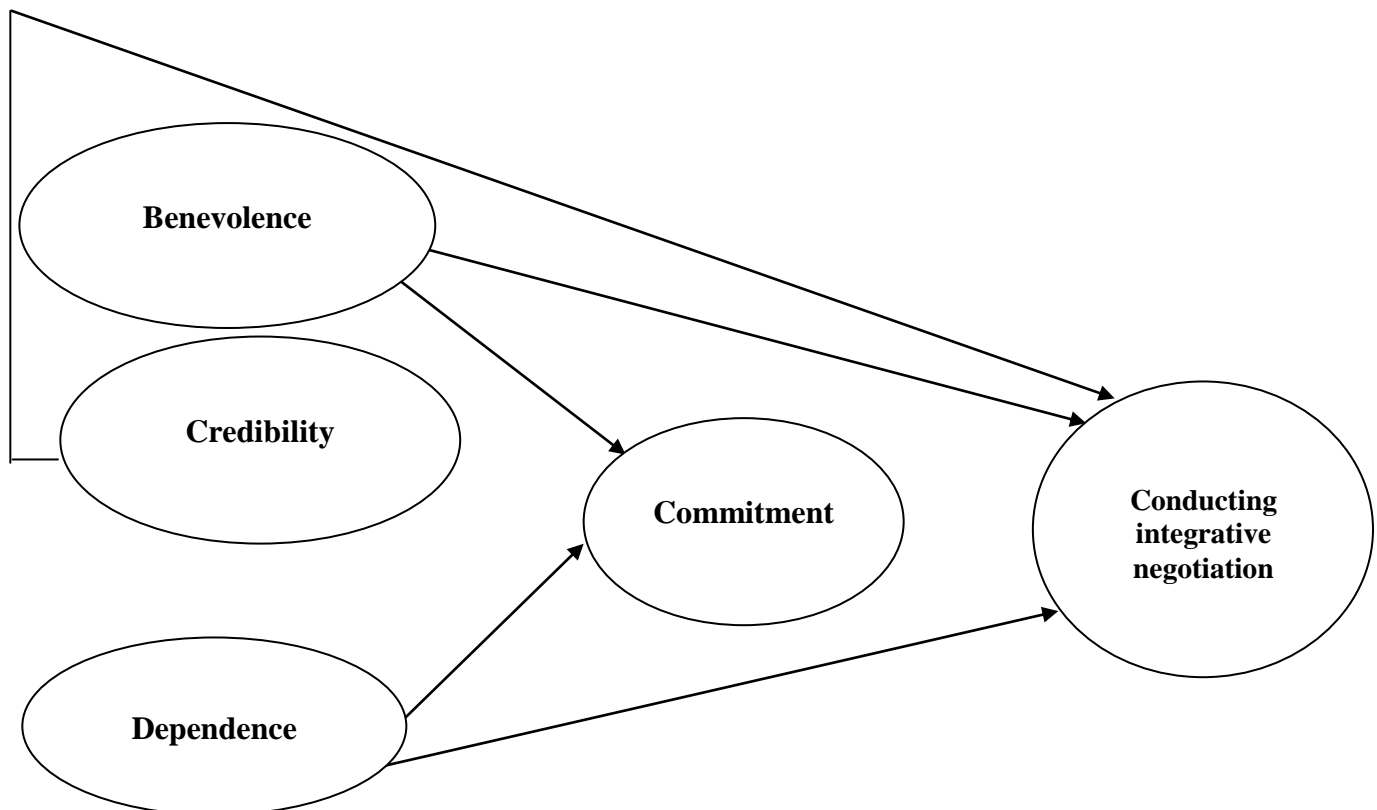
According to the model used in this study, commitment and integrative negotiation are causally related. As a result, in order to increase profits and decrease consumer surplus, most businesses today want to control the market and use tactics that may be viewed as abusive. Hence, following hypotheses are postulated:

*H1: Commitment between participants in the retailing sector positively affects the conduct of integrative negotiation.*

*H2: Level of commitment between participants in the retailing sector varies according to the power of participants.*

*H3: Integrative and reasoned negotiations are the same concepts.*

Table 1: Factors that influence integrative negotiation behavior



## RESULTS

We used a measurement scale with a five-point Likert scale—1 for strongly disagree, 2 for disagree, 3 No opinion, 4 for agree, and 5 for strongly agree—to test hypothesis H1. H1 is then validated as shown in Table 1. In fact, the vast majority of customers attest to the positive relationship between integrative negotiating and commitment (24% agree, 46% strongly agree, a total of 70% agree).

Table 1: Positive relationship between commitment and integrative negotiation

		Frequency	Percentage	Cumulative Percentage
Valid	<b>Strongly Disagree</b>	5	5.00%	5.00%
	<b>Disagree</b>	11	11.00%	16.00%
	<b>No opinion</b>	14	14.00%	30.00%
	<b>Agree</b>	24	24.00%	54.00%
	<b>Strongly agree</b>	46	46.00%	100.00%
	<b>Total</b>	100	100.00%	

This table shows that a sizable portion of respondents stress the value of reasoned negotiation and that dedication strengthens the bonds of collaboration and partnership amongst distribution channel stakeholders. Accordingly, dedication is essential to develop a cooperative negotiation relationship in which all parties try to equitably divide the profits and come to a win-win agreement that benefits them all. We asked respondents if the power of the distribution chain's stakeholders determines the level of commitment in order to validate hypothesis H2, which states that "level of commitment between participants in the retailing sector varies according to power of participants." A five-point Likert scale—1 for strongly disagree, 2 for disagree, 4 for agree, and 5 for strongly agree—was also used. We validate H2 as shown in Table 2. In fact, most consumers indicated that degree of commitment amongst retailing sector's participants varies according to the power of participants (32% strongly agree and 21% agree). In total, 53% of respondents agree.

Table 2: Level of commitment between participants in the retailing sector varies according to the power of participants

		Frequency	Percentage	Cumulative Percentage
Valid	<b>Strongly Disagree</b>	15	15.00%	15.00%
	<b>Disagree</b>	18	18.00%	33.00%
	<b>No opinion</b>	14	14.00%	47.00%
	<b>Agree</b>	21	21.00%	68.00%
	<b>Strongly agree</b>	32	32.00%	100.00%
	<b>Total</b>	100	100.00%	



We asked the respondents if reasoned negotiation and integrative negotiation had the same meaning in order to check hypothesis H3, which states that reasoned negotiation and integrative negotiation are synonymous.

To this end, we also used a five-point Likert scale. 1 for strongly disagrees, 2 for disagree, 4 for agree, and 5 for strongly agree. The third hypothesis is rejected as shown in Table 3 below. In fact, most customers (76%) strongly disagree that reasoned negotiation and integrative negotiation have the same meaning (26%), followed by 31% who disagree and 7% who have no opinion, with a total of 67% disagreeing. This suggests that the term "reasoned" is not widely used or commonly found in the field of negotiation.

Table 3: reasoned negotiation has the same meaning like integrative negotiation

		Frequency	Percentage	Cumulative Percentage
Valid	<b>Strongly Disagree</b>	36	36.00%	36.00%
	<b>Disagree</b>	31	31.00%	67.00%
	<b>No opinion</b>	7	7.00%	74.00%
	<b>Agree</b>	14	14.00%	88.00%
	<b>Strongly agree</b>	12	12.00%	100.00%
	<b>Total</b>	100	100.00%	

Finding a common ground where both parties can win is made possible by reasoned negotiation. Instead of going up against your opponent and trying to "win at all costs," you need to reason with a partner or potential client, show them empathy and provide them with different options if you disagree. These "win-win" discussions can therefore benefit both sides.

## CONCLUSION

The aims of this study are threefold: 1) assess the beneficial effects of commitment among retailing sector participants on integrative negotiation; 2) look at how degree of commitment among retailing sector participants varies according to their relative power; and 3) find out whether reasoned negotiation and integrative negotiation are perceived the same.

As a conclusion, most customers (24% agree), 46% strongly agree, total of 70% agree that commitment and integrative negotiating have a beneficial effect. In fact, most consumers indicated that the degree of commitment between retailing industry participants differs according on their power. Furthermore, most customers vehemently contest the idea that integrative and reasoned negotiation are interchangeable.

Since both terms describe a cooperative style to negotiation in which parties cooperate to achieve win-win solutions, "reasoned negotiation" and "integrative negotiation" are

sometimes used interchangeably. Instead of just asserting worth or vying for few resources, the emphasis is on generating value for all stakeholders. The aim is a win-win situation in which all parties' interests are taken into consideration, frequently by means of candid dialogue and problem-solving.

For a number of reasons, Fisher and Ury's (1982) principled negotiating model has gained popularity as a reference model. It is thought to be useful, efficient, and supportive in establishing enduring bonds. For specialists, it unifies previously disparate concepts and data (Arnaud Stimec, 2011). Whether you are an independent contractor, employee, or small business owner, the ability to negotiate is essential in the business world. In many business dealings, both sides have identical goals and want to walk out of the negotiation feeling satisfied, resulting in a win-win situation.

Although this study offers a thorough description of Perception of Commitment in Reasoned Negotiation, there are several avenues where further research could enhance our understanding. Future studies could investigate the cause-and-effect relationships behind the observed phenomena, as well as incorporate additional exogenous and endogenous variables that influence the interactions between stakeholders in the commercial distribution sector. This would help identify the underlying factors shaping the outcomes and provide a more complete picture of the dynamics at play.

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