

EMOTIONS IN NEGOTIATION

*"What makes humanity is
not reason. Our emotions
are what make us human."*

E.O. Wilson



The role of emotion in negotiation

Emotions are always present in every human activity, including negotiation. We all have them, so we have to live with them — ours and theirs. We cannot ignore them, because they affect us all. Emotions affect the way we think, feel and act. The best thing to do is recognise them and deal with them constructively.

Some emotions are positive: joy, confidence, fun. Others are negative: anger, fear, embarrassment. Negative emotions tend to stimulate competitive impulses, which lead to a win-lose dynamic. Positive emotions encourage co-operation and support win-win outcomes.

Emotions are also contagious. We can spread them to, and catch them from, others. Generally, the person who expresses her emotions more forcefully will influence the one who is less expressive.

The implications for negotiation are straightforward. A win-win negotiator will manage the negative emotions in herself and not provoke them in others. She will also display positive emotions, and will say and do things that are likely to bring out positive emotions in others. Sounds simple enough, doesn't it? Unfortunately, it's not simple — not even for Freud!



Aha! Moment

I cannot avoid my emotions, but I can manage them.

The language of emotion

Many people think of negotiation as a competition. Win-win negotiators think of it as an opportunity to collaborate and solve a common problem together. The language you use can support or detract from these mindsets, so that's why it's important to choose your words wisely.

Words such as *'I'*, *'me'*, *'my'*, *'mine'*, *'you'*, *'your'*, and *'yours'* support a competitive negotiating dynamic. *'I'* and *'you'* contrast sharply and make it clear that we are at opposite ends of the spectrum. These words suggest that I will win and you will lose, or you will win and I will lose. It is difficult to reach a win-win outcome with a *'me against you'* mentality.

There may be times when you need to say *'I'* or *'you'*, but try to avoid these words whenever possible. Instead, try to use *'we'*, *'us'*, and *'our'*. These words express collaboration and suggest we are both on the same side, working together to solve our problem.

Using *'we'* and other collaborative language helps set the tone for a win-win. However, when it does come down to *'I'* or *'you'*, an *'I'* statement works better than a *'you'*. For example:

"Your asking price is too high."

This sounds judgemental, with an opinion dressed as fact. There is also an implied criticism, which will put the other party on the defensive. He may respond by holding onto his position more tightly and trying to justify it in a confrontational dynamic. Consider this instead:

"I feel that your asking price is too high."

This is my opinion. It is how I feel. We are all entitled to our own feelings and opinions. If I can offer a reason in support it is even better. In any event it is non-judgemental and non-confrontational. We can carry on negotiating without any bad feelings.

In addition to using *'I'* rather than *'you'*, these examples emphasise feelings and perceptions. Your counterpart may not share your feelings or perceptions, but he can hardly fault you for them. Here are some more guidelines to remember:

- Avoid using words that suggest the other party is to blame or is wrong. Do not criticise, judge or find fault. This will only put your counterpart on the defensive. Instead, emphasise your feelings and perceptions. For example, consider:

"Don't rush me!"

This suggests that the other party is unfairly pressuring me. It suggests I am judging him. He may resent the implication.

"I'd like some time to think about it."

This expresses my feelings without regard to the other party's motives. It cannot cause offence.

- Describe rather than judge. An objective description of fact may be disputed, but its mere form will not offend the way a judgement will. For example:

"Your offer is unreasonably low."

Your counterpart may be offended by this judgement on your part. You are saying he is unreasonable.

"I feel your offer of a three per cent increase is inadequate in light of current industry trends."

This statement is more specific, descriptive, and verifiable, even if "current industry trends" is debatable. It is non-judgemental and unlikely to cause offence.

- The words we use in a negotiation greatly affect its emotional climate. Avoid negative words, value-laden words and emotional or hot button words. Use positive, collaborative and constructive words.

Common emotions in negotiation

Humans experience many feelings and emotions, most of which have little impact on a negotiation. The two that are most likely to derail a negotiation are anger and fear.

Anger

Anger is widely thought to be an ugly emotion, a monster that pops out in stressful situations to urge us on to intimidate, punish and extract revenge. Anger is the most difficult emotion to control. While it may seem appropriate to display anger at the time, in retrospect it rarely is, and we usually regret it afterwards. However, there is another way to look at anger. It serves to protect us against some perceived threat to our well-being or self-esteem.

We also express anger in an attempt to cause the other party to feel fear, thereby giving us some control over them. This is easy to understand when we are focused on winning, getting our way, or proving ourselves to be 'right'. We must appear strong and in control. Anger lets us do this.

As anger is a protective emotion, when we feel anger we must ask what we are protecting ourselves against. We perceive a threat. What is the threat? Similarly, when we see another person expressing anger we must remember that he feels threatened. What is he threatened by? What is he trying to protect?



Myth Buster

Anger is a sign of strength.

On the contrary. Anger is often a sign of weakness or vulnerability being protected. True strength consists of controlling our anger and channeling it in an appropriate manner. While it may be natural to feel anger, a win-win negotiator will react to it constructively. Unless anger is managed it can derail a negotiation, and a relationship.

The rule is: don't express your anger. Of course, there are exceptions. If you do express anger, do so because you *choose to act angry* when justified. For example, a hard-nosed negotiator may provoke you to test your response. While remaining calm and in control is normally the best response, you may decide that a controlled release of anger or a display of righteous indignation will show your counterpart that you are not a pushover. Mr Tough Guy might interpret this as a show of strength and respect you more for it. Having proved your mettle, he won't mess with you again.

Some negotiators will unleash an outburst of anger in the hope of extracting a concession from you. However, win-win negotiators are able to create value without stooping to such low tactics.

Suppose your counterpart is not a win-win negotiator. Suppose he cannot control his emotions, or uses his anger as a club. How should you respond? Here are my suggestions:

- First of all, you must allow his anger to run its course. You cannot reason with someone in an emotionally charged state, so don't even try. Stop the discussion. Let him vent. This would be a good time to take a break. Resume negotiating only after his anger has dissipated.

- Just because a person has calmed down, do not assume he is no longer angry. Chances are the feelings underlying the anger are still there. You must address these concerns, but only after the emotional storm has passed.
- Accept his anger as valid. While expressing anger is not always appropriate, your counterpart has a right to his feelings. Empathise. You might say:

"I see you are angry. You obviously feel strongly about this, and I'd like to understand why this is so important to you."

Encourage him to share his thoughts, and listen attentively.



- Maintain your own composure in the face of an angry outburst from your counterpart. Do not fight fire with fire — you'll only get a bigger fire!
- Do not take it personally. Your counterpart may be angry with himself, frustrated with the situation, or trying to mask his own weakness or insecurity. Do not assume you are the target, because chances are you are not.
- Do not appease your counterpart by offering a concession. Make a concession only in exchange for a concession from your counterpart, and only at a point when reason prevails. Once you give something up to buy approval from the other party, guess what you'll get? More outbursts! And why not — your counterpart will have discovered a successful strategy for negotiating with you.
- Apologise when warranted, or even when it's not. An apology costs nothing, and it makes the other party feel better. Don't let pride stand in the way of satisfying your interests. Focus on the big picture.



Aha! Moment

I am not negotiating to prove that I am right or to serve my ego; I am negotiating to satisfy my interests.

Fear

There are four basic types of fear: fear of the unknown, fear of loss, fear of failure, and fear of rejection. They all have implications for negotiators, so you should understand how they affect you and your counterpart and be prepared to deal with them.

Fear of the unknown

People fear what they do not know or understand. A negotiation may have high stakes and an uncertain outcome; even the process may be unknown and inspire fear.

The antidote to this is preparation. Learn as much as you can about your interests and currencies, as well as those of your counterpart. Develop a strong Plan B. Gather information about the subject matter and context of the negotiation. Preparation leads to confidence, and confidence helps you manage fear.

Fear of loss

No one likes to lose, but some people have a strong aversion to risk. In fact, most people are more strongly motivated by a fear of loss than they are by the prospect of gain. Their fear of losing money or paying too much can cause them to miss out on a good opportunity. Conversely, their fear of missing out on an opportunity can cause them to make a bad deal.

Preparation also helps combat fear of loss. Before you begin bargaining, know your bottom line and your Plan B, and stick to them. Be prepared to walk away. You may reassess these in light of new information and changing situations, but do so with the same sobriety as went into your initial pre-negotiation assessment.

In addition, understand that a calculated risk is not the same as a foolish risk. There is always some element of risk in a negotiation. However, if you allow yourself to become paralysed with fear, you will not negotiate much, nor will you gain much. Remember that negotiation has elements of skill and chance, and the more skillful you are at preparing the less you will be affected by chance.

Fear of failure

While fear of loss and fear of failure often go together, fear of loss relates to tangibles (money, opportunity) while fear of failure relates to intangible losses, such as damage to pride, ego, or reputation, or embarrassment or loss of face. These emotional losses may be harder to bear than monetary losses.

The very prospect of losing face can cause a negotiator to ignore his best interests and embrace a losing cause. Because he doesn't want to admit he was wrong, he continues to pursue a doomed strategy in the irrational hope that things will turn out well. This escalation of commitment strikes even seasoned negotiators. Guard against it with thorough pre-negotiation preparation and by asking team members for reality checks during the negotiation.

A win-win mindset can offset fear of failure, as well as fear of losing and fear of the unknown. Approaching a negotiation as a chance to solve a problem collaboratively with your counterpart minimises fear of failing or losing, as the focus is on getting a win for both parties. The emphasis on asking questions, listening and empathising builds trust and sheds light on the unknown. The spirit of exploring options and creating value keeps the discussion positive as fear takes a back seat.

Fear of rejection

A special fear of failure is fear of rejection. We don't like to hear the word "no." Most people, upon hearing the word "no," get discouraged and give up. They equate rejection of their request as a rejection of them personally. They are afraid to pursue the matter for fear they may be seen as overbearing. Sometimes they just don't want to risk further rejection.

To overcome this fear of rejection, remind yourself that only your idea is being rejected, perhaps because your counterpart doesn't understand your request. Follow up with a "why not?" to understand her thinking. Make sure she understood you.

The word “no” is rarely final. Whenever you hear a “no,” treat it as an opening position. Modify your proposal and consider other options. Try to turn that “no” into a “yes.”

The key to overcoming these fears is preparation — a major theme that I’ve been emphasising throughout this book. In addition, remember these tips:

- Do not appear too eager for a deal. Once you demonstrate an emotional desire for the subject of the negotiation, your counterpart will be able to deal with you on his terms.
- Have a strong Plan B. This gives you confidence and guarantees you will not be worse off after the negotiation than you were before.
- Be prepared to walk away. Making a bad deal is worse than making no deal at all.



Danger Zone

Do not show fear. Wear your poker face. Remember that much of negotiating power is based on perception. It’s important to appear confident and in control.

Bear in mind that your negotiating counterpart, being human, also experiences these fears to some degree. How much will depend on his perceptions, level of confidence, preparation, and strength of will.

Managing expectations — keeping them happy

In Chapter 3 we looked at a situation in which your neighbour offered an antique cabinet at his yard sale for \$200, and you accepted his offer immediately. He got his asking price, but the speed of your acceptance and the look of glee on your face gave him second thoughts. He expected a bit of haggling, but you didn't play the game. He has an uneasy feeling that he's been had.



Perception is a big part of negotiating. It isn't whether you win or lose that matters, it's whether you *feel* you've won or lost. The subjective outcome is more important than any objective measure of the outcome. People need to feel good about the process and the outcome, regardless of how well they actually fare.

As such, we saw that it is better to haggle and feign reluctance than to accept a first offer. We have to play the game. We have to meet expectations.

In addition, the negotiation process must appear to be fair. People have a powerfully strong sense of fairness — it's hard-wired into our brains. If you or the process seems unfair, your counterpart will resent you and your relationship will suffer.

An activity common in negotiation classes illustrates the point. Students are paired up, and one student is given \$100 to share with his partner at his discretion. However, his partner has the right to accept the offer and share the money, or reject it, in which case no one gets any money. A 50:50 offer is invariably accepted. Often the first student will feel entitled to a larger share and offer a 60:40 split, or a 75:25 split. Some of these will be accepted, but the more unequal the proposed split, the more likely the second student will play the spoiler and reject the offer. A rational person would accept an offer of even \$1, as he would be better off monetarily. But people aren't rational — they are emotional, and they have a strong sense of fairness. They may choose a lose-lose outcome rather than stand for what they perceive to be unfair treatment.



Aha! Moment

Life is not fair, but people can choose to be fair.



Fast Fact

Win-win negotiators understand how emotional and irrational people can be when they feel they are not being treated fairly. They also know that people demand respect. Consequently, they take pains to be fair and show respect throughout the negotiation. They also make sure the negotiation process itself is fair and impartial.

Biases

We tend to have certain biases in the way we apportion credit and blame. When things turn out favourably for us we are likely to attribute the results to our own ability. "I achieved a good result because I worked hard, I prepared, I am a great negotiator, I deserve it." When we don't do so well we find external reasons to explain the result. "They got lucky, they deceived me, the economy worked against me, there was nothing I could do about it." In the alternative, we may discount the effects of situational factors and assume our counterpart has more skill, expertise or ability than he really does.

A win-win negotiator tries to be objective and open to possibilities. She will still be biased, but she will be more willing to accept that she has faults and makes mistakes. When you take responsibility for your shortcomings, you have an opportunity to learn from your mistakes and do better next time.

We also tend to think things will turn out better for us than for others. "That could never happen to me; it only happens to other people." Then again, some people think they always get the lemons in life, and everyone else has it better.

We also think more highly of ourselves than of others. "I am smarter, more skillful, more honest, more open minded, and fairer than him. He is so rigid, irrational, and biased." Your counterpart probably thinks the same about you!

A win-win negotiator recognises that she and her counterpart both have these biases. She strives to accept the other party as an equal. She understands that by thinking ill of her counterpart their trust and communication will suffer, as will the likelihood of reaching a win-win outcome.



Star Tips for managing emotions while negotiating

1. Display positive emotions and manage negative emotions.
2. Think and speak in collaborative terms of 'we' and 'us' rather than adversarial terms of 'me' and 'you'.
3. Speak in terms of feelings and opinions rather than judgements.
4. Do not attempt to reason with an angry counterpart. Wait until the emotion subsides.
5. Accept your counterpart's anger as a valid emotion, but do not take it personally.
6. Combat fear by being prepared.
7. Treat a "no" as an opening position rather than a final answer. Explore other options that may ultimately result in an agreement.
8. Maintain objectivity and get periodic reality checks to avoid escalating commitment to a losing course of action.
9. Ensure that the negotiation process is perceived as fair by both parties.
10. Understand the effects of biases and compensate for them.