

How to Deal with the Irrational Parts of a Negotiation

by Joseph Grenny

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Allison, the CEO of a consulting firm, is in a serious meeting with Trevor, a star employee who announced his resignation a month ago with the intention of starting his own consulting practice. Trevor manages an account that contributes more than 20% of the firm's revenue and the client has made it clear that they want him to stay involved with the engagement. Trevor would love the continued commission as he endures the famine months of getting set up on his own. Allison's firm needs the revenue.

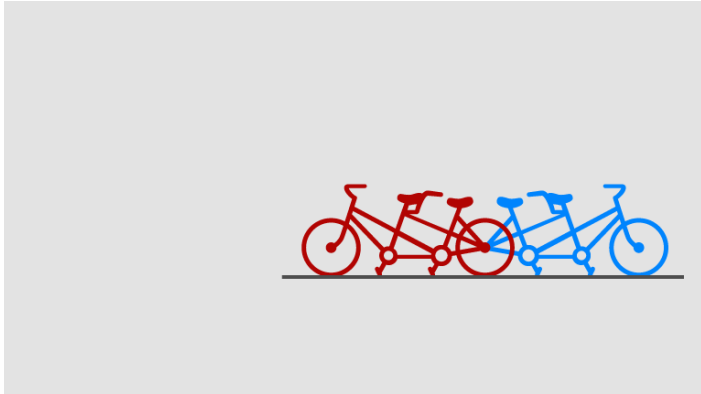
Seconds into the meeting (which both sides have been putting off) Allison silently slides a piece of paper across the table with a handwritten proposal for Trevor's commission. Something about her sliding the paper strikes him as sleazy. He looks at the lowball number and scowls angrily at her. He removes a pen from his jacket with melodramatic flourish and writes a highball

number on the page, flicking it back toward her with a smirk.

Allison flushes red, says, “Looks like we’re done here. Cross the non-compete one inch and we’ll sue you.”

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Too much of the negotiation literature treats us as if we’re rational creatures making logical conclusions about pursuing well-defined interests. While that may be true at times, most often, negotiations are “crucial conversations” – interpersonal exchanges clouded with emotion. We take illogical positions that undermine our own interests based on irrational impulses, just like Allison and Trevor did.

My colleagues and I have spent thousands of hours examining these crucial moments and found a few best practices for addressing the human dynamics that frequently drive negotiations.

Embrace conflict quickly. Often in our discomfort with conflict, we procrastinate talking about divisive issues. In the meantime, judgments, suspicions, and emotions escalate—making it inevitable that when we finally open up the dialogue it will degenerate into negotiating games rather than collaborative problem solving. You can minimize unnecessary escalation by engaging sooner rather than later. The pyrotechnics in Allison and Trevor’s conversation were amplified by weeks of avoidance following Trevor’s announced resignation.

Discuss the *real* problem. If something is bugging you—and that irritation is driving your behavior in the conversation—pause for a moment and get clear about your concern. Ask yourself, “What’s really going on for me here?” Then, if needed, put it on the table where it belongs. For example, if Trevor feels that Allison’s use of a handwritten offer violates the spirit of collaborative problem-solving, he

might shift the conversation to a discussion of process: “You know, rather than offering numbers to each other at this point, I wonder if we can talk about principles and needs for a moment? Perhaps it will be easier to come to a good solution if we understand each other’s perspectives better.”

Create safety. Our species survived for millennia because we are hardwired for safety. Our brains are specially constructed to give cognitive priority to perceived threats. When something menacing appears, our higher reasoning centers are inhibited and our reptilian brains assume authority. This is bad news when we perceive threats in complex interpersonal negotiations. The cognitive fog can cause us to stomp away, issue threats, or cave in when better options are available. And our actions can provoke others to do the same. The first condition for success in healthy negotiations is psychological safety.

Long-term positive outcomes are achieved when everyone is fully committed to implementing the agreement so ensure the other party knows two things: 1) You care about their interests – just as you care about your own; 2) You respect them. Imagine how differently the conversation with Allison would have gone had Trevor responded to the paper with, “Allison, I know my departure is disruptive to the firm. This is something I’ve wanted to do for a long time but I don’t want it to hurt this company. I am willing to keep talking until we find something that is fair to both you and me.”

Use facts, not threats. Both parties typically come to a negotiation with different perceptions about interests, options, and consequences. At times, you feel a need to challenge their perception of reality. For example, Trevor signed a non-compete when he joined the firm that placed legal obligations on him. Allison thinks Trevor is naïve to the consequences of approaching the firm’s client with his new services. She can bring up her understanding of the non-compete in one of two ways: as fact or as a threat. Since psychological safety is so critical, do everything you can to share your understanding of the situation without triggering a perception of malicious intent. You can do this in three ways:

1. Frame your statement as natural consequence not calculated revenge. “Cross the non-compete one inch and we’ll sue you” is a threat. In contrast, “I want to be clear that I have an obligation to protect the firm’s interests” suggests natural consequences.
2. Express reluctant determination about punitive measures. Don’t apologize for protecting your interests. But don’t relish your power to do so, either.

3. Press for dialogue, not concession. As you share natural consequences of bad outcomes to the negotiation with the other person, reassure them of your wish to avoid those consequences and your willingness to continue the dialogue in search of better mutual outcomes.

Allison could have said in a calm and respectful tone, “In the event we can’t come to terms, can we take a few minutes to review the non-compete you signed to ensure we have the same understanding going forward?” This would have increased the likelihood that Trevor would factor legal consequences into his judgments without provoking unnecessary hostility.

In the end, Trevor walked away from revenue that could have helped launch his new enterprise. Allison’s firm retained the client but revenues declined by 50% in the first year after Trevor left. Too often, we’re so focused on the substance of negotiations and not the human dynamics that drive it. But even small changes in your approach can completely change the outcomes of your most crucial negotiations.



Joseph Grenny is a four-time *New York Times* bestselling author, keynote speaker, and leading social scientist for business performance. His work has been translated into 28 languages, is available in 36 countries, and has generated results for 300 of the Fortune 500. He is the cofounder of VitalSmarts, an innovator in corporate training and leadership development.

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