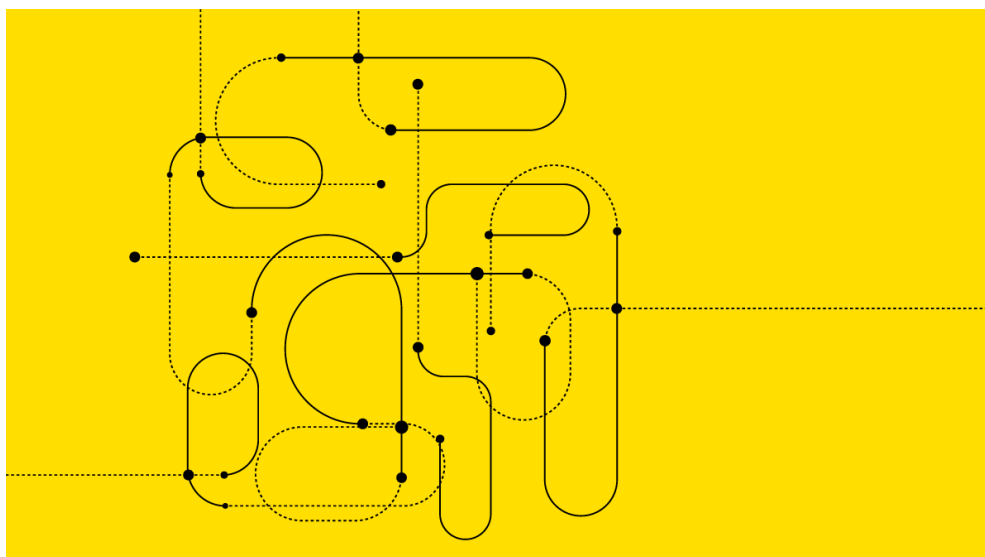




Negotiations



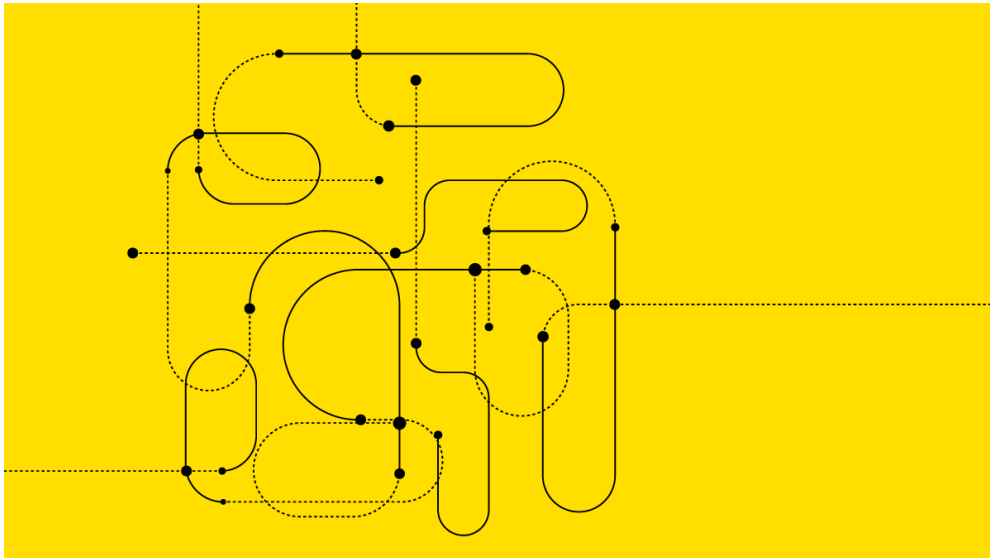
What Donald Trump Doesn't Understand About Negotiation

by Deepak Malhotra and Jonathan Powell

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The next president of the United States will need to be an extremely effective negotiator. Armed conflict, political deadlock, and diplomatic crises abound. The president will be called upon to resolve the war in Syria, manage complex relationships with Russia and Iran, handle hot spots such as North Korea, Libya, and Ukraine, navigate competitive tensions with China, and revive a modicum of bipartisanship in Congress. Ironically, the only presidential candidate who has been asserting his prowess as a great negotiator is someone who has precisely the wrong instincts and experience for the types of conflicts the

president will face. The Donald Trump approach to negotiation would be not only ineffective but also disastrous — and there are clearly identifiable reasons for this.

One of us was the chief British negotiator for Northern Ireland, helping reach and implement the historic Good Friday Agreement, which put an end to years of violence between Catholics and Protestants. The other has advised on scores of multimillion- and multibillion-dollar deals around the globe and is the author of a new book, Negotiating the Impossible. Both of us have worked behind the scenes in advising heads of state on negotiating armed conflicts and political stalemates.

One question we often are asked is how negotiating in business differs from negotiating through back channels, with defiant coalition partners, in war zones, and in the shadow of severe mistrust and hostility. One crucial difference is your goal. When you're negotiating a business deal, your job is to figure out how much money is on the table, to consider all of the ways in which the deal could be structured, and to find an agreement that will allow you to capture more or most of the value that is being created.

That's not how it works when you're negotiating a high-stakes, protracted, multiparty conflict that has escalated to potentially devastating levels. There will not be multiple solutions from which to choose. If you're lucky, there is *one* deal that everyone can live with — and there are countless barriers standing in the way of achieving even that. Your job is not to convince or threaten the other side into accepting your preferred solution, but rather to use everything at your disposal to knock down the barriers that are making the conflict seem unsolvable. In most cases you are not trying to beat the other side; you are trying,

often in collaboration, to reach the one and only deal that can avoid disaster.

This difference between buying real estate, for example, and ending wars, building coalitions, structuring global agreements, and balancing military and diplomatic leverage has serious implications for the kind of negotiator a president should be. Consider these five features of negotiating on the world stage and ask whether what we know of the Trump approach and temperament is suited to surviving (much less succeeding) in such contexts.

- **Preconditions and ultimatums are usually bad ideas.** However reasonable your requests may seem to you, issuing them as blanket ultimatums or as preconditions to engagement will typically create unnecessary barriers to negotiation — or, worse, lead to destructive escalation. Trump plays it differently. His precondition for participating in a January Republican presidential debate on Fox News — demanding that moderator Megyn Kelly be removed — had a number of consequences, none of which helped his cause: The execs at Fox dug in their heels, Trump was forced to miss the debate, he lost to Ted Cruz in the Iowa caucuses three days later, and he had to admit that skipping the debate may have cost him the victory. Trump has said he would have dealt with Iran in much the same way as he did Fox News — i.e., walk out if the country rejected his preconditions to nuclear talks. He fails to mention that he showed up at the next Fox News debate, where Kelly was a moderator.
- **You don't need an amazing deal — you need an implementable deal.** Combing through Trump's rhetoric on the Iran nuclear deal, it is hard to identify a single U.S. concession that he would have approved of. According to him, we should have extracted an even better deal in exchange for giving nothing. Perhaps Trump has examples of business deals where that's how things transpired. Nonetheless,

unlike in most business contexts, breakthrough agreements in international deals and disputes are not the end of a negotiation — they are just the beginning. The Good Friday Agreement was followed by nine more years of negotiations before it was implemented. The Oslo Accords, between Israel and the Palestinian Liberation Organization, were met with rejoicing in the mid 1990s, but the failure to implement the agreement had disastrous consequences. Just as counterproductive as a bad deal is the “great” deal that the other side accepts only reluctantly or due to coercion; if they perceive it to be unfair, it will never stick.

- ***They lose does not equal you win.*** Trump tells us “I beat China all the time” and promises to “beat Mexico,” “beat Japan,” and so on. The underlying belief, that negotiation is fundamentally a zero-sum game in which only one side wins, is dangerously misplaced in the context of protracted conflicts and complex international deal making. When you negotiate with newly elected individuals on the other side of a trade or security deal, for example, you are not just their adversary; you are also a partner whose job is to help them think more creatively, overcome mistrust, and, most importantly, sell the agreement to their constituents. Trump has probably done business deals where he “won” simply because the other side was inexperienced or negotiated poorly. No deal with Iran, Russia, or China on any foreseeable issue, however, will be devoid of mutual interests, and in no negotiation with them will it be possible to judge U.S. success on the basis of how badly we “beat” the other side.
- ***You have to help them save face.*** Even your most generous proposals may be rejected if accepting them will make the other side lose face. When the deal you offer is the only one that can help them avoid economic or military disaster, it might be refused if they can’t sell it as a victory. Trump does not understand these dynamics, as is evident from his most consistently articulated foreign policy position: building a wall on the border with Mexico and having the Mexican

government pay for it. The backlash to this position reached a crescendo when Mexico's former president Vicente Fox announced with force and profanity that Mexico was never going to pay for such a wall. Trump's response? "The wall just got 10 feet higher." This seems to be his way of saying, "If you reject my ridiculous opening offer, I will escalate matters by making even more ridiculous demands." We're not familiar with any legitimate business context where this tactic actually pays off (although it can in poker, and on the set of *The Godfather*).

- **You have to have the courage to tell *supporters* what they don't want to hear.** The record is clear that on almost every major issue — including gun control, universal health care, abortion, and taxes — Trump's stated views have changed drastically over the years. Although he is more than willing to say provocative things, he has demonstrated not the courage of his convictions but rather the savvy to pander to his latest audience. This does not work for a president, who will deal with countries and entities that are perceived as dangerous or evil and who will need to make the case for engagement to skeptical or angry constituents. If you have never taken a stance against what your supporters want to hear, you cannot hope to negotiate effectively — or lead — when it matters most.

Throughout history, the U.S. people have done a remarkable job of entrusting the handling of great crises to individuals of sound judgment and temperament. President Lincoln led an aggressive military campaign against the Confederacy to save the Union but had no desire or tolerance for exacting revenge after the victory. President Kennedy defused the Cuban Missile Crisis partially with the threat of military engagement but more with profound empathy for Soviet Premier Khrushchev's perspective and constraints. President Reagan stood up to what he considered the "evil empire," but he was still willing to engage,

collaborate, and negotiate with Mikhail Gorbachev in pursuit of mutual interests.

These presidents, both Republicans and Democrats, understood that effective negotiation requires not only strength and toughness but also humility, empathy, and patience to find solutions, build and sustain coalitions, de-escalate conflict, and achieve economic and military objectives.

What lies ahead is not a real estate deal or a campaign rally or a hiring decision on *The Celebrity Apprentice*. The U.S. president will be facing the world of complex global concerns and grave matters of war and peace. In this world, insults lead to escalation. Ultimatums lead to impasse. Bankruptcy means people die. We need a president who understands this.



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